FBIS DAILY REPORT

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ALFONSIN CALLS FOR CHANGES IN WORLD FINANCE

PY170238 Buenos Aires BUENOS AIRES HERALD in English 16 May 84 p 1

[Text] (NA) -- President Raul Alfonsin warned last night that "the efforts we Argentines are about to make to put our country back on its feet" will be sterile "unless there is a fundamental change in international financial centres and in the political decision-making groups of industrialized countries." Speaking at the anniversary dinner of the Grains Exchange, Alfonsin defined those countries as "the creditors of a debt which is impossible for the Third World to pay in the currently established terms."

He confirmed Argentina's "decision to meet all legitimate foreign obligations" but called on the international community to seek "procedures that will make it possible to get international economic relations back on their course in more just terms."

"As long as protectionism in the industrialized world bars free access by Third World exports, as long as the repayment of debts is not matched by the actual possibilities of debtor countries, and as long as rising interest rates continue to complicate a situation that is already critical, dialogue between debtors and creditors will remain inadequate to achieve the solutions that are essential to the entire international community," said the president.

"We Argentines want to produce and are capable of producing," he said, adding "any conduct which bars us from doing so is no longer (based on) the legitimate right to collect on a loan, but to keep some form of domination based on the exploitation of the peoples."

"We will not fall into that dilemma," he promised, because "we have just recovered the capacity to govern ourselves, and that implies we will grow and will be able to pay."

After emphasizing the importance of agriculture in aiding productive recovery, Alfonsin said, "No one promised a government without mistakes, but it is clear that Argentina's future will not be mortgaged by mistake of a ruler."

"But on the other hand, let there be no doubt, the future of our nation would grow dark if we were to allow ourselves to lose our course."

"I assure you that will not happen," he emphasized, "because the immense majority of Argentines know and do not forget what is lost when freedom is lost."

"A crisis of hitherto unknown seriousness has left us some harsh teachings," the president said. "We know there will be growth for us only on the basis of an ethical interpretation of the economy, because that will free us from the shame of unemployment and privation, and because it safeguards our greatest capital, our people."

ISABEL PERON'S COURT SUMMONS WITHDRAWN

PY170329 Buenos Aires BUENOS AIRES HERALD in English 16 May 84 p 1

[Text] (NA) -- A court summons ordering ex-President Maria Estela Martinez de Peron to testify in the case charging the leaders of the first military "Process" junta with rebellion was withdrawn yesterday.

Vice-President Victor Martinez meanwhile said both the government and Congress were willing to remove all obstacles so "no one has problems in practicing politics" in Argentina.

However, reports from Congress insisted Radicals and Peronists were having difficulties in agreeing on a bill freeing Mrs Peron of criminal proceedings. Lower House Majority leader Cesar Jaroslavsky (Radical, Entre Rios) added to the uncertainty, saying the Radical caucus might present its own proposal.

Mrs Peron's Lawyer, Manuel Arauz Castex, provided reporters with copies of Federal Judge Juan Fegoli's decision to withdraw a summons which would have been presented to Mrs Peron upon her arrival at customs. Arauz Castex said he telephoned Mrs Peron yesterday to tell her he had "fixed all her court problems." Mrs Peron is expected to arrive here on Sunday.

The ex-President may, however, be asked to testify at some future date in the cases implicating the leaders of the three military juntas in responsibility in human rights excesses committed during the "dirty war," Arauz Castex said.

Justicialist leader Raul Matera yesterday denied his request for a meeting tomorrow with President Raul Alfonsin implied an interference in the May 21 political talks between Alfonsin and the Justicialist Party.

SIDE CHIEF ARRESTED FOR ORDERING INVESTIGATION

PY132145 Buenos Aires BUENOS AIRES HERALD in English 13 May 84 p 17

[Excerpt] Salta (NA) -- The chief of the local office of the State Intelligence Secretariat (SIDE), Luis del Valle Diaz, was arrested here early yesterday for allegedly ordering the investigation of the personal life of Provincial Supreme Court President Restom Abraham, it was officially announced.

Del Valle Diaz gave himself up peacefully as the police surrounded the local SIDE building. Inside, it was reported that there were at the time of the arrest 20 to 25 federal SIDE agents, under the command of Roberto Pena. Following the arrest, Del Valle Diaz was taken to the First Police Precinct of the City of Salta, where he is currently lodged.

Legal proceedings against Del Valle Diaz were transferred last night from the provincial to the federal courts, after the Defence Council claimed that the Salta court was incompetent to handle the case.

Indicted, Released

PY140248 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2317 GMT 13 May 84

[Text] Salta, 13 May (NA) -- SIDE [Secretariat for State Intelligence] local delegate Luis del Valle Diaz today was released after being indicted on contempt charges. He had been found to have been investigating the activites of Provincial Court President Restom Abraham. This information was conveyed to NOTICIAS ARGENTINAS by a reliable source.

PLANE CARRYING TIERRA DEL FUEGO GOVERNOR LOST

PY160343 Buenos Aires DYN in Spanish 2254 GMT 15 May 84

[Text] Ushuaia, 15 May (DYN) -- The Public Information Department of the Territory of Tierra del Fuego has released the following communique:

The people in general are hereby informed that the Lear jet belonging to the office of the governor of Tierra del Fuego has been placed on emergency status because all radio contact with it was lost as of 1642.

The plane departed today from the federal capital for the territory after making a stopover in Rio Grande City from where it left at 1620. The plane was carrying Ramon Trejo Noel, governor of the Terrritory of Tierra del Fuego; Ofelia Lisa, the former's wife; Fernando Garcia, territorial economy minister; Luis Campanella, territorial interior minister; Guillermo Baselese, secretary general of the territorial government; Ricardo Sica, the governor's private secretary; Carlos Gisa, technical adviser for television; Nora Horminston, adviser for social action; and Ernesto Nofler, territorial deputy.

The plane was being flown by Mario Marconcini, territorial director of aeronautics, and his deputy Rodolfo Purrey.

Wreckage Found, No Bodies

PY161550 Buenos Aires TELAM in Spanish 1445 GMT 16 May 84

[Excerpt] Ushuaia, 16 May (TELAM) -- The Tierra del Fuego police have reported that the wreckage of the Lear jet which was carrying Governor Ramon Trejo Noel, his wife, and other officials was found today at 1018 between the Tunel Ranch and the Encajonado River. The wreckage was scattered along a 5-kilometer strip, but no bodies were found.

SOVIET SHIP LOADS 2,000 TONS OF LINSEED OIL

PY161418 Buenos Aires TELAM in Spanish 1234 GMT 15 May 84

[Text] Santa Fe, 15 May (TELAM) -- The General Administration of the port of Santa Fe has reported that a consignment of 2,000 tons of linseed oil has been loaded on the Russian freighter Tsezar Kunikov, bound for the Soviet Union. The ship's departure has been delayed for more than 2 days due to a strike called by the towing operations personnel of the port of Santa Fe.

ANTI-SEMITISM CITED IN ATTACK ON LIBRARY

PY132147 Buenos Aires BUENOS AIRES HERALD in English 13 May 84 p 17

[Text] Santa Fe -- Gunshots were fired last Friday night on the front of the Mariano Moreno Library in Santa Fe only hours before a ceremony was to be held there to commemorate the anniversary of the Warsaw Jewishghetto uprising during Nazi occupation. The ceremony was interrupted after an anonymous caller said a bomb had been placed in the library. The police found no bomb.

The Jewish-Argentine Association (DAIA) said the incident "showed that some individuals who are against living together in peace still harbour the irrational feelings of anti-Semitism."

GOVERNMENT CONSIDERS DECLARING STATE OF SIEGE

PY170205 Madrid EFE in Spanish 0009 GMT 17 May 84

[Text] La Paz, 16 May (EFE) -- The government is studying the possibility of declaring a state of siege throughout the nation if the present climate of social agitation persists, government sources let it be known today.

Interior Under Secretary Gustavo Sanchez affirmed, however, that so far nothing definite has been decided, and that President Siles Zuazo will ultimately be the one to make a definite decision.

Sanchez said that a climate of social subversion prevails in Bolivia which imperils democracy, and so he called on the labor sectors not to raise barriers to consolidating the constitutional process.

The interior under secretary denied rumors of a supposed military uprising in the city of Cochabamba, 500 km southeast of La Paz, branding the rumors "as serving the interests of those who want to bring about confrontations among Bolivians."

It has been learned that there is an official group that has demanded that Siles Zuazo impose a state of siege in the face of the successive strikes and stoppages, but that other groups within the executive branch do not agree with such a demand.

SHOTS FIRED AT INTERIOR MINISTER'S VEHICLE

PY170124 Paris AFP in Spanish 0046 GMT 17 May 84

[Text] La Paz, 14 May [as received] (AFP) -- Unidentified terrorists last night fired twice at the automobile in which Interior Minister Federico Alvarez Plata was returning home. The automobile is equipped with bullet-proof glass.

Despite the fact that the incident was kept secret, Radio Nueva America of La Paz broadcast the news. Radio Nueva America obtained a recorded tape on which Minister Alvarez Plata confirmed the incident and warned about the risk of a terrorist escalation in the country.

According to the information obtained, the men who provoked the incident managed to escape.

OILWORKERS IN LA PAZ, OTHER AREAS BEGIN STRIKE

PY161410 La Paz Cadena Panamericana in Spanish 0000 GMT 16 May 84

[Excerpt] The situation created by the oilworkers throughout the country is getting worse. Rolando Guevara, a leader of the La Paz Oilworkers Union, has informed the media that the oilworkers in Santa Cruz and in Cochabamba have joined the strike that started in La Paz, demanding a 200-percent salary raise and other fringe benefits. Our interviewee told the press that the Santa Cruz oilworkers, in an act of solidarity, will shut the valves in the Palma Sola refinery. This will be done early Wednesday morning, 16 May, according to the reports furnished to Radio Panamericana by Rolando Guevara.

RUEDA ACCUSES LECHIN OF ORDERING TV TAKEOVER

PY161405 La Paz Cadena Panamericana in Spanish 1130 GMT 16 May 84

[Excerpt] The takeover of the installations of the Bolivian National Television Enterprise in El Alto and on Ayacucho Street by mineworkers last Monday was carried out in strict compliance with the instructions given by Juan Lechin Oquendo, executive secretary of the Bolivian Labor Federation, to militants of the Revolutionary Party of the Nationalist Left, PRIN.

These charges were made by Information Minister Mario Rueda Pena, who added that the instructions were carried out by two PRIN militants, union leaders, Felix Espinoza and Edgardo Vazquez. Mario Rueda also said that the PRIN militants are currently creating chaos and anarchy, disregarding current laws under the pretext that the workers reject the economic measures approved by the national government on 12 April.

Lechin Denies Accusation

PY161816 La Paz Cadena Panamericana in Spanish 1700 GMT 16 May 84

[Excerpts] Members of the Executive Committee of the Bolivian Labor Federation went on a hunger strike at 0900 today in compliance with a resolution of this organization made early this month.

On another subject, Juan Lechin Oquendo said that at no time did he give any instructions for the takeover of the Bolivian National Television Enterprise. He said that the accusations made by Information Minister Mario Rueda Pena are a lie. He added that the takeover had been decided by the mineworkers themselves.

BRIEFS

LABOR AGREEMENT WITH USSR -- The Bolivian Labor and Labor Development Ministry signed on 26 April a cooperation agreement with a USSR technical mission for training workers in the repair and operation of machinery and equipment by establishing training centers. The agreement was signed by Minister Horst Grebe Lopez and the head of the Soviet mission, Pavel Tokmakov. The Soviet assistance will be for the benefit of FOMO [Directorate for Training Manual Labor]. The USSR has committted itself to granting scholarships to Bolivian citizens for field training in the USSR in social and technological matters. [Excerpt] [La Paz PRESENCIA in Spanish 27 Apr 84 p 7 PY]

URBAN DEVELOPMENT, HOUSING UNDER SECRETARIES -- The urban development and housing minister has installed Engineer Guillermo Meyer Medina and Raul Loayza as urban development and housing under secretaries, respectively. [Excerpt] [La Paz PRESENCIA in Spanish 24 Apr 84 p 7 PY]

PLANNING MINISTRY UNDER SECRETARIES -- Yesterday, Planning and Coordination Minister Ernesto Aranibar Quiroga administered the oath of office to Coordination Under Secretary Rene E. Fernandez Araoz and Planning Under Secretary Hugo de la Rocha Cardozo. [Excerpt] [La Paz EL DIARIO in Spanish 13 Apr 84 p 4 PY]

TECHNICAL PROBLEM REPORTED AT NUCLEAR PLANT

PY161730 Rio de Janeiro O GLOBO in Portuguese 15 May 84 p 18

[Text] The Angra I nuclear plant is working at half capacity because one of its condenser's two water refrigerating pumps is not working. This information was released yesterday by Licinio Seabra, president of Furnas Electric Power Company, who said that energy will not be generated to 100 percent of capacity, 626 megawatts, until the weekend. The pump, which is U.S.-made, is being repaired in Sao Paulo.

ITINERANT RURAL WORKERS DEMONSTRATE IN GUARIBA

PY161556 Paris AFP in Spanish 0124 GMT 16 May 84

[Text] Sao Paulo, 15 May (AFP) -- A total of 1 dead and 29 wounded, including a policeman, was the outcome of the incidents that took place this afternoon during the itinerant rural workers demonstration in the city of Guariba, 380 km north of Sao Paulo.

The workers demanded salary raises, reduction of working hours in the sugarcane plantations, and other social benefits.

The demonstration, which began peacefully in downtown Guariba, degenerated into a gigantic riot with lootings and destruction of stores, among them a supermarket. A municipal building was also seriously damaged, at the same time that a water pumping station was set on fire.

About 150 policemen acted vigorously to hold back the rioters, who ran away after 2 hours of disturbances.

NIGERIA TO PAY DEBTS WITH PROMISSORY NOTES

PY151502 Rio de Janeiro O GLOBO in Portuguese 13 May 84 p 33

[Text] Sao Paulo -- Roberto Fonseca, the vice president of Cotia Export-Import Commerce Inc, has announced that Nigeria has decided to pay its overdue commercial debts to Brazil and other countries. Fonseca is also the president of the Brazil-Nigeria Chamber of Commerce and coordinator of a group of 40 companies (most of them trading companies) which, since last year, has been having difficulties obtaining payments for exports made to Nigeria.

Nigeria's overdue backpayments to Brazil amount to $300 million. Fonseca explained that the debts will be paid with promissory notes that will mature in 6 years, issued by the Nigerian Central Bank to each of the creditor companies.

These promissory notes will start being issued on 30 May. Under the agreement, the principal of the debts with interest expressed in LIBOR [London Inter-Bank Offered Rate] plus 1 percent will be paid up.

Fonseca said that it has not yet been determined how the creditors will be able to discount the promissory notes, and added that the creditors are negotiating with the Central Bank of Brazil so that the Nigerian notes can be converted into cruzeiros.

The problem, Fonseca stated, is that the Central Bank of Brazil is not interested in receiving promissory notes, but instead wants dollars for its exports to Nigeria.

At any rate, Fonseca believes that there are alternative solutions that minimize the risk that Brazil might not be able to convert the papers into foreign exchange.

Last year, trade between the two countries reached $300 million with a $100-million surplus in Brazil's favor. Brazil exports to the Nigerian market a variety of products, including trucks, cars, agricultural machinery, and machinery in general, while importing oil and natural rubber from Nigeria.

PROSPECTING COMPANY UNDERTAKES PROJECT IN LIBYA

PY161250 Brasilia Domestic Service in Portuguese 2200 GMT 15 May 84

[Text] The Mineral Resources Prospecting Company (DPRM) will start its second mineral prospecting project in Libya within 30 days. This project will last 2 years, over which time Brazil will (?make) $6 million for the services rendered.

According to CPRM reports, the Libyan Central Bank has just paid $1.4 million to the Brazilian Government.

BRIEFS

II CORPS AUTHORITIES INSTALLED -- Sao Paulo -- Yesterday morning, General Sergio de Ari Pires handed over the II Corps command to General Sebastiao Jose Ramos de Castro at the Parque do Ifirapuera headquarters. On 17 May, Gen Ari Pires will take over as superior military court magistrate replacing the late General Jose Fragomeni. Gen Ramos de Castro installed General Luis Carlos Doria as II Corps chief of staff. [Summary] [Rio de Janeiro JORNAL DO BRASIL in Protuguese 5 May 84 p 9 PY]

FUNAI PRESIDENT DISMISSED -- Brasilia, 1 May (AFP) -- National Indian Foundation (FUNAI) President Octavio Ferreira Lima has been dismissed by Interior Minister Mario Andreazza, it was officially announced here today. Ferreira Lima, who assumed the FUNAI presidency 9 months ago, was unable to quell a rebellion by the Txucarramae tribe at the Xingu reservation in Matto Grosso. Sometime ago, some Txucarramae Indians cut a national highway by seizing a ferryboat and holding several FUNAI employees hostage demanding a 15 km-long stretch of land along the Wingu River. [Excerpt] [Paris AFP in Spanish 1529 GMT 1 May 84 PY]

ARMS SHIPMENT STOLEN -- An arms shipment for the Espirito Santo military police consisting of 30 machineguns, 2 rifles, and 1 shotgun was stolen from the depot of the Expresso Rio Grande-Sao Paulo carrier in Bonsuccesso at dawn yesterday. Two armed men overpowered guard Jose Costa de Medeiros by tying him up with a thick nylon rope and gagging him. Members of the 21st police district, where Costa de Medeiros reported the robbery yesterday morning, said that the weapons have a great firing power. The weapons, which came from Sao Leopoldo in Rio Grande do Sul, were to have continued on to Espirito Santo tomorrow morning. [Excerpt] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 May 84 p 36 PY]

FUEL PRICES RAISED -- The price of fuels increased by 21 percent today. A liter of gasoline now costs 672 cruzeiros, alcohol 396 cruzeiros, and diesel oil 469 cruzeiros. [Summary] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Apr 84 p 1 PY]

PINOCHET BLAMES 'OLD TIMERS' FOR STIRRING TROUBLE

PY170230 Santiago Radio Cooperativa in Spanish 1715 GMT 15 May 84

[Excerpts] President Augusto Pinochet has stated that so far there have been very few changes made to the draft bill on political parties. He added that he sent his notes on the subject to the Interior Ministry for further study. From there they will go to the State Council for another evaluation.

President Pinochet was questioned by journalists at the end of the ceremony held today to dedicate more than 7,000 dwellings in the district of Renca.

When asked for an opinion on the latest day of protest, General Pinochet said that the people are beginning to understand how things are; they are beginning to understand that the very same old timers who plunged the nation into demagoguery and ruination are now trying to regain power by lying to the workers.

NEW AMBASSADOR TO U.S. LEAVES FOR POST

PY161740 Santiago Domestic Service in Spanish 2300 GMT 15 May 84

[Excerpts] The new Chilean ambassador to the United States, Hernan Felipe Errazuriz, has stated that initial meetings are under way in that country with the international copper committee. These meetings, in defense of our copper, are held by a commission headed by former Minister Hugo [title and first name as heard] Valenzuela Blanquier.

Errazuriz stated that one of the particularly complex situations that our economic relations [with the U.S.] is currently experiencing is the very acute protectionism which has arisen in the United States.

Errazuriz added that these initial meetings for the defense of our copper on the U.S. market have basically a juridical overtone and will end around 11 July.

Errazuriz made statements to the press after he bade farewell to the president before leaving for the United States. He added that the latter gave him very specific instructions regarding his new functions as Chilean ambassador. These instructions refer to strengthening our ties with the United States, Errazuriz stressed. He added that his greatest effort will be centered on achieving a better understanding of the Chilean reality in the United States.

AD LEADER OUTLINES STRATEGY FOR INTERPARTY TALKS

PY170233 Santiago Radio Cooperativa in Spanish 1615 GMT 15 May 84

[Text] Democratic Alliance [AD] President Hugo Zepeda has released an official declaration stating that the acute crisis which Chile is experiencing demands generosity and broadmindedness from all political parties in order to conduct a constructive dialogue which would allow progress toward the reinstatement of democracy in the country.

Further on, Zepeda stated that he is truly convinced that there must be changes in the political leadership of the state. However, he added, we have never said that dialogue and negotiations were tied to the acceptance of this proposal. This is what the AD feels: We are prepared to negotiate with groups or individuals who do not agree with us on this issue, but at the same time we demand from our counterparts in the talks respect for our opinions, our agreements, and our ideas on what we believe is best for the nation.

He went on to say: We have repeatedly stated that despite the significance and urgency we assign to President Pinochet's resignation, it is hardly a prerequisite for talks or the sum of the nation's problems. There are many other specific fields within which we should seek agreements with both right- and left-wing political groups.

Zepeda indicated that it would be a serious inconsistency for persons of goodwill to refrain from undertaking commitments or making joint decisions -- because they disagree with us over the need for changes in state leadership -- on issues which pose a political and moral duty, such as exile; respect for human rights and essential public freedoms; the freedom of expression which includes acquiring newspapers and magazines; the freedom to join associations; the right to hold meetings; equal access to news media, especially television; the reestablishment of university autonomy; social participation; and other freedoms and rights.

These are portions of the lengthy declaration which current AD President Hugo Zepeda released today.

LAVANDEROS REAPPEARS, GRANTS PRESS CONFERENCE

PY170305 Santiago Radio Cooperativa in Spanish 1715 GMT 15 May 84

[Excerpts] Former Senator Jorge Lavanderos reappeared in public for the first time after the attack in which he was hurt. He made a fervent call for continuing efforts against press censorship and for the reinstatement of the freedom of expression during a press conference he held at noon today.

Lavanderos, who has recovered from his serious injuries, stated that the government seeks to curtail the freedom of expression.

[Begin Lavanderos recording] We want to show that the various news media, even though their background and objectives are different, have come together to try to break through the fence around the freedom of press, through the wall of lies. [end recording]

He went on to point out the problems which magazine APSI is facing in being unable to print domestic news.

[Begin Lavanderos recording] The government, realizing the power of its material, has prevented this media from conveying its news to the Chilean people and has attempted to stop it from publishing other than international news. This is an onslaught on the freedom of expression, an onslaught on the rights of all Chilean citizens to know the truth. This is an onslaught whose purpose is to treat Chileans as children. [end recording] Lavanderos added that the government is not letting the people decide what they need to know.

In his first appearance since the attack, Lavanderos also said that he will continue struggling side by side with the journalists and news media directors to obtain respect for the freedom of expression and against prior censorship. He also took advantage of the opportunity to convey his gratitude to all those who stood by him in time of need.

SOCIALIST FRONT AIMS TO 'REBUILD NATION'

PY110335 Santiago LA TERCERA DE LA HORA in Spanish 9 May 84 p 5

[Text] The first national conference held in Santiago by the Socialist Front ended with the approval of a statement containing a proposal to "rebuild the nation" and the reassertion of an alternative to confront the policy of Christian Democracy [DC] which aims "to disguise" capitalism in Chile, and the communists' goal of establishing "a proletarian dictatorship."

In this regard, the Socialist Front issued a communique in which it notes that in view of the aforementioned alternatives "socialism aims to replace capitalism and to establish a pluralist socialist democracy." It adds that "at the national conference, we reasserted our policy aimed at achieving legal status and opening channels that will allow the participation of the people. We also praised the spontaneous rise of social, cultural, and political movements at the rank-and-file level that aim to overcome traditional leftist groups."

The communique notes that "it is within this context that it is witnessing the rise of several political groups, which, in keeping with the political concerns of vast sectors of the population, are rejecting the political proposals that have been submitted by the DC and the Communist Party. The people's meetings, which reject both the Democratic Alliance [AD] and the MDP [People's Democratic Movement], which promote the holding of town meetings, clearly show that our people are seeking their own path to express themselves politically."

At the end of the national conference the Socialist Front elected its new leadership, which is made up of 15 persons who are presently residing in the country and of three persons who are in exile and who will assume their responsibilities abroad. They are as follows: Juan C. Moraga, secretary general; and Hugo Coloma, Juan Olivares, Maria Orrego, Patricia Leon, Miguel Pizarro, Juan C. Puga, Gladys Olguin, Alejandro Cardenas, Gilberto Gatica, Ximena Castro, Ana M. Jerez, Julio Puga, Patricio Ibanez, and Walter Alvarado, directors.

CNI EMPOWERED TO HOLD PRISONERS ON PREMISES

PY170235 Santiago Domestic Service in Spanish 2300 GMT 16 May 84

[Text] The Interior Ministry has issued a list of CNI [National Intelligence Center] premises where prisoners may be held, in accordance with the rules and regulations related to the antiterrorist law which has been approved by the government junta.

This regulation has been appended to Decree Law No 1,878 dated 1977 by which the CNI was established. According to this regulation and for as long as Article 24 of the Constitution remains in effect, the CNI will be able to hold arrested persons on its own premises, which will be considered legal detention facilities.

WAVE OF BOMB ATTACKS IN SANTIAGO, OTHER CITIES

PY161400 Santiago Domestic Service in Spanish 1100 GMT 16 May 84

[Text] Subversives have unleashed a wave of bomb attacks throughout Santiago, Vina del Mar, Valparaiso, and Concepcion. The bombs were set off last night, shortly after 2200, causing anger and despair among the population. The main objectives of the terrorists were bank branch offices throughout Santiago.

The attacks were meant as a response by the subversives to the approval of the anti-terrorist law which the government junta approved yesterday afternoon.

The attacks took place at the branch offices of the Osorno Bank, located at the intersection of Vicuna Machenna and Soria Streets; the Del Trabato Bank, at the intersection of Recoleta and Lastra Streets; the Bank of Chile, at the intersection of San Diego and Franklin Streets; and three offices of the Bank of the State [of Chile]. located at the intersection of Gran Avenida [Jose M. Carrera] and (La Piramide) Street, Independencia and Santos Dumond Streets, and San Pablo and Matucana Streets. One of the bombs affected a branch of the Mortgage Fund [caja de Credito Prendario]. Other bombs went off in Valparaiso and Concepcion but no victims were reported. Furthermore, the security forces managed to deactivate approximately four bombs which were placed near lamp posts.

PREDAWN VEHICULAR TRAFFIC RESTRICTED INDEFINITELY

PY170221 Santiago Domestic Service in Spanish 2300 GMT 16 May 84

[Excerpt] The office of the commander of the metropolitan emergency zone has announced that predawn vehicular traffic will be restricted for an indefinite period of time, The restrictions, which will apply between 0100 and 0500 local time, will go into effect on Friday. This measure is set forth in Edict No 9 signed by Major General Rene Vidal, commander of the emergency zone of the metropolitan area and San Antonio Province. Item 2 of the edict states that all prior safe-conducts are null and void and new ones will have to be requested.

FORMER MEXICAN PEMEX OFFICIAL UNDER ARREST

PY132015 Paris AFP in Spanish 2136 GMT 11 May 84

[Excerpt] Santiago, 11 May (AFP) -- It was today reported by judicial sources that Jesus Chavarria, former production manager of Mexican Petroleum (PEMEX), has been arrested in Santiago on charges of a multimillion-dollar fraud against the Mexican Government.

It was reported in the Chilean capital that Chavarria -- who along with another 15 persons was declared a fugitive from justice on 20 October 1982 on charges of fraud for $97 million against PEMEX -- was arrested by policemen in civilian clothing on 2 May under still unknown circumstances.

However, diplomatic sources told AFP that Chavarria was taken to the Capuchino prison in Santiago as a result of an extradition request submitted by the Venezuelan Embassy in Chile, since Mexico does not maintain diplomatic relations with the government of President Augusto Pinochet.

The president of the Supreme Court, Rafael Retamal, is acting as judge of the First Appellate Court and his resolution will have to be confirmed or changed by all the members of the Chilean Supreme Court.

BRIEFS

NEW KUWAITI AMBASSADOR -- The new Kuwaiti ambassador to Chile, 'Abdallah Zakariya al-Ansari, has presented his credentials to President August Pinochet. [Excerpt] [Santiago LA TERCERA DE LA HORA in Spanish 25 Apr 84 p 4 PY]

GOVERNMENT DECREE DOUBLES PENALTIES FOR FORGERY

PA162254 Bogota Cadena Radial Super in Spanish 0000 GMT 16 May 84

[Text] Applying new measures within its struggle against the mafia and the drug traffic, the national government promulgated a new decree today, doubling the penalties stipulated by the Penal Code for falsification of public documents.

Decree 11-88, issued today, doubles the penalties for persons committing the crimes of falsifying passports, citizenship cards, and personal and military identification cards.

The articles of the Penal Code will read as follows for the duration of the state of siege:

Article 220. A person who falsifies public documents that can be used as evidence will be liable to 4-16 years' imprisonment.

Article 222. A person who, while not guilty of falsification, uses false documents that can serve as evidence will be liable to 2-16 years' imprisonment.

Article 226. Anyone who replaces another, or falsely uses the second person's name, civil status, profession, occupation or character for the purpose of obtaining public documents, will be liable to 1-5 years' imprisonment.

Finally, Article 227 will read as follows: A person who, for personal benefit or for the benefit of others, or to do harm, replaces or supplants another person or appropriates that person's name, age, civil status or other legal characteristic, will be liable to 2-6 years' imprisonment, if the action does not in itself constitute another crime.

This new decree brings to 13 the number of decrees issued in the wake of the assassination of Justice Minister Rodrigo Lara Bonilla, which led President Betancur and his cabinet to declare that public order had been disrupted throughout the nation and to therefore impose a state of siege.

BOMB SQUAD DEACTIVATES CAR BOMB IN BOGOTA

PA161803 Bogota EL SIGLO in Spanish 12 May 84 pp 1, 16

[Article by Eduardo Carrillo]

[Text] The National Police have deactivated another car bomb in front of the installations of the Battalion School of Artillery and La Picota Central Prison.

The bomb squad of the National Police F-2 Section reported that inside a Luv van with false registration plate number AO-8101 they found five galvanized tubes measuring 1 meter by 12 cm containing a load of dynamite and two arrobas of ball bearings, staples, and nuts. The powerful explosive load was to be detonated by means of a clock and a pressure release system.

The secret police reported that the van, stolen from the Alpina firm, was abandoned at the south gate of the military unit, in front of La Picota, by unknown persons who fled in another car, which the police were not initially able to identify.

The F-2 bomb squad stated that had the bomb exploded it would have caused a great tragedy, due to the powerful load of dynamite and the two arrobas of ball bearings.

An authorized Military Command spokesman said that the subversive M-19 [19 April Movement] claimed responsibility for this attempt in a telephone call to the Battalion School of Artillery. At the same time, it warned that it will continue to place explosive devices at the Presidential Guard garrison and at other military units, as well as at the La Picota prison.

The Army Command said that these callers also claimed responsibility for stealing an armored car belonging to Nasly Lozano Aljure, the vice minister of justice. Nevertheless, this report was not confirmed by the police or the Justice Ministry.

In another development, the Army denied an alleged attack with automatic weapons against the Embassy of the Dominican Republic. An authorized security services spokesman reported that a guard at the embassy, located at the intersection of 94th Street and Highway 11 in northern Bogota, fired a burst of submachinegun fire as a precautionary measure in view of the presence of a suspicious-looking camper with several persons inside.

The vehicle disappeared from view and everything returned to normal, the spokesman said.

1 DEAD, 3 INJURED IN FARC ATTACK ON POLICE

PA162255 Bogota Cadena Radial Super in Spanish 0000 GMT 16 May 84

[Text] A toll of three injured and one dead was the result of an armed attack staged by a group believed to be from the Revolutionary Armed Forces of Colombia, FARC, on a police car, specifically a camper, transporting a group of policemen in the area of Chaparral and the municipality of Coyaima.

We repeat that this was apparently a group of FARC subversives.

The confrontation between the individuals who were believed to be guerrillas and the police force left one dead, identified as Alvaro Jesus Trujillo, and three wounded policemen, who are now being treated at the San Juan Buatista Hospital in Chaparral.

So far, reports from southern Tolima Department are fragmented, but we have heard that the toll was three policemen injured and one person, apparently a guerrilla, killed.

VICE PRESIDENT CRITICIZES U.S. INTEREST RATE HIKE

PA130427 Quito Voz de los Andes in Spanish 1230 GMT 12 May 84

[Text] Vice President Leon Roldos has asserted that the country will have to earmark the proceeds of 35 percent of its exports in order to pay the interest on its foreign debt during 1984. Roldos said that if we take into consideration the fact that Ecuador's commercial debt amounts to $5.5 billion, the yearly increase in the debt due to a 0.5 percent rise in the interest rate is close to $30 million.

Vice President Roldos alluded to the figurs mentioned in the 1984 budget recently approved by President Osvaldo Hurtado.

[Begin recording] [Roldos] I hereby confirm that the amount that the country is paying for interest at this time will be surpassed in 1984. Considering the increase, this figure could easily reach $1.05 billion. This figure will then represent more than 35 percent of the value of the country's exports.

This is an international problem. This problem does not have to do with the market, but with political decisions made by governments, particularly that of the United States. If the United States did not have its large deficits, and the U.S. Government -- this is a political decision by the government, not a market trend -- had not raised the discount rate, and had the increase in the interest rate not occurred [words indistinct].

That is to say, it is the U.S. Government that has to control its deficit in current accounts, and not raise the discount rates.

[Unidentified reporter] Considering the current situation, what is the economic outlook for our country?

[Roldos] Well, I believe our country's economic future depends both on what we do in the country and on our participation in joint actions in Latin America. This is fundamental. Much will depend on international cooperation, rather than it being a matter to be solved by this government or the next. [end recording]

Vice President Roldos said it is absurd that while the U.S. Government makes political decisions that affect our economies, we have to take restrictive measures which affect our peoples socially.

TRIBUNAL BEGINS PRESIDENTIAL ELECTION COUNT

PA170100 Quito Voz de los Andes in Spanish 1130 GMT 16 May 84

[Text] The Supreme Electoral Tribunal last night began the official vote count for the presidential election held on 6 May. During the first hour of the public count, verbal skirmishes took place between the various political parties' delegates, who criticized each other for positions taken after the first round of elections.

Tribunal President Eustorgio Mendoza recalled the fact that attacks were launched against tribunal members, which has never happened before, and said that the tribunal members are willing to appear at the current or subsequent session of Congress to demonstrate the purity of the procedure that was used in the elections.

The tribunal began the final vote count in the Province of Esmeraldas, to be followed by the other coastal provinces, the Sierra and eastern provinces, and the Galapagos province.

PRIME MINISTER DELIVERS STATE OF NATION ADDRESS

PY151900 Lima Television Service in Spanish 0100 GMT 15 May 84

[Speech to Congress by Peruvian Prime Minister Sandro Mariategui -- live, in progress]

[Excerpts] ...of the Council of Ministers, I talk to you as a member of this Congress and express my deep satisfaction over this ceremony. The members of the Council of ministers have endorsed the contents of my speech and we all hope that the debate that will follow my speech will ratify once again the democratic nature of congressional debates and yield positive results.

I am also addressing the Peruvian people, asking them to listen to my words and judge them calmly.

I am undertaking this task at a time which is not precisely characterized by satisfaction and complacency. The country is experiencing a difficult situation in which anxiousness over the present situation and anguish at our fate merge. However, I have confidence in the nation's powerful reserves of optimism, which is currently strengthened by our democratic system, and in the talent and capacity of all my fellow countrymen to overcome the current anguishing difficulties. These difficulties, which have been created by the domestic and international crises, unfortunately could affect our democratic institutions in the future by hindering their actions.

We are confronting a crisis that has an unavoidable impact on Peru's democracy. Moreover, this crisis is creating a dangerous and complex political situation which must be jointly countered and resolved by the executive and legislative branches.

We remind you that this government, which took power in 1980, seeks to strengthen democracy in order to prevent our system from being affected by the crisis. The government has progressed a lot toward this goal. The 1980 and 1983 municipal elections were irrefutable proof of this progress, which was attained despite the criticisms made and obstacles created by the enemies of democracy.

If history had to judge us on these achievements alone, it would have a lot of good things to say for us. I think it is a good opportunity to outline these achievements to prove that the democratic reconstruction process has yielded positive results. For those who refuse to recognize our contributions, I repeat the words of an outstanding philosopher: To always look for the negative things a person does and ignore his positive and legitimate achievements is a sign of total lack of comprehensiveness.

Unfortunately, the government's efforts are being hit by the worst world recession that today's people, myself included, can recall, because it is even deeper than the crisis which broke out in 1929.

The current recession is even affecting the richest coutnries, but its impact on developing countries is much more damaging.

The foreign debt of the Latin American region totals more than $300 billion, that is, three times more than the value of Latin American exports. The interest rate increase alone caused a 45-percent increase in the loss of foreign currency, and these interest rate increases continue to occur. The latest increase has resulted in strong condemnations in the press and in specialized circles.

It cannot be said that Peru has remained unaffected by the situation, because its exports have dropped, its trade has declined, its terms of exchange have been disrupted, its economic development has stopped; its productive investments and public and private income have declined; its means of financing have also declined, and inflation and unemployment have grown.

Additionally, we should mention other factors of this crisis; the heavy burden we inherited from the past regime, and an excessive foreign debt, plagued with short-term obligations and high interest rates; subversive terrorism, which has also caused uncontrollable bloodshed; and, as though these problems were not enough, we also endured devastating national disasters in 1983.

We can overcome this devastating and sad picture through adequate procedures which could be instrumental in doing away with these problems and would thus help consolidate democracy. In this regard, as chairman of the Council of Ministers, I want to reassert my faith in democracy. This faith, which has been a distinctive trademark of the administration of President Fernando Belaunde Terry, has never faltered and will be our driving force to overcome the obstacles and gloomy prospects of today. The rage and criticism of those who are still longing for the days of the dictatorship will not affect our faith. I am sure that democratic opposition parties do not share in these attacks.

With this idea in mind, the government expects that the opposition parties which are open to dialogue will show their patriotism concerning the plan the government is today proposing. This patriotism will be essential to prevent issues requiring national consensus from becoming partisan propaganda issues. For instance, the discussion of the foreign debt will be effective only to the extent that we all close ranks around a criterion which, keeping in mind the interests of the country, may reduce to a minimum the painful hardships of our people.

We are not proposing mergers or alliances which would be unthinkable at this pre-electoral stage. We are only requesting that an economic policy formulated for the good of the Peruvian people be accepted and supported or at least that it not be used as a cause of useless dissension. Thus those pessimistic predictions concerning our democratic system will be replaced by realistic, promising prospects for an encouraging future.

Since we hope to achieve a national consensus, it is important for us to address the nation to do away with fears and rumors. We believe we must express our firm decision to maintain Peru's reputation in international financial circles without sacrificing our fellow countrymen. We will implement an austere spending policy but without causing an economic paralysis. We will never sacrifice the Peruvian people for the sake of preserving our reputation as a good payer.

If this firm position is backed by everyone, our voice will carry greater weight. Therefore, it will be the immediate major task of this Council of Ministers to convey to the IMF not only the economic situation but also the social situation of our country. We trust that the IMF will be flexible enough to act equitably and to follow more just guidelines stemming from realistic considerations.

We have negotiated and will continue to negotiate our request that the IMF change its demands because, if these are imposed blindly, they will strangle the country's productive forces and will undermine our paying capability. We maintain a serious, responsible position and will not thoughtlessly endorse those demagogues who are proposing that Peru take an action no other country has taken. Furthermore we will not follow a doctrinaire dogmatism which does not take into account how social factors can influence the economy.

We hope we will be heard because we are not alone in the world and many nations have the same problems. There are sensible reactions in the newspapers and financial centers of creditor countries warning that it will be impossible to solve the problems without extending terms, lowering interest rates, reopening markets, improving terms of commercial trade, and securing more fluid foreign credit, and that the lack of vision not to accept new and equitable formulas will be the prelude to a holocaust.

It is true that for the time being the materialization of this idea is only a hope and we must confront the situation alone, therefore, we, and the other Latin American countries, agree on demanding a more just and rational approach to the foreign debt taking into account the different characteristics of the various nations. Also, it has been pointed out that the creation of the debt was a mutual responsibility. Although it is true that many governments, particularly the dictatorial governments, irresponsibly agreed to accept the loans, it is also true that some banks, moved by the spirit of easy profits, loaned their money without carrying out realistic studies on whether these governments were capable of repaying the debt.

Despite this mutual responsibility, in Quito the representatives of our countries demanded an increase in exports in order to overcome the impasse. This is how they showed their willingness to pay the debt and to take over the entire responsibility of this burden. Now the time has come for the creditor countries to do their part.

Also the IMF cannot ignore the meaning of the impact of the partial measures implemented by the creditor countries. This is the case of the unilateral increase in the interest rates in the capital markets. This decision obstructs exports, prevents price increases and particularly increases the foreign debt making its servicing more expensive. The IMF officials cannot ignore the protectionist measures implemented in Europe and the United States. We already suffered the experience of the textile products and now our copper exports are being threatened. These protectionist measures are one more link in the chain which curtails our capability of paying our debt.

Political Projection

The opinion just expressed will have to be evaluated by the people responsible for the world economy, by IMF officials, and by the European, U.S., and Asian governments which are our creditors. Otherwise the future of our political system based on democracy will run the most serious risks of survival since their creation and the people who did hear our advice will always be considered responsible for it.

Despite the problems of dealing with our creditors, this regime is willing to maintain democracy. Building democracy is a process, but the great test of fire which our system will soon face will be the transfer of power to the people legitimately elected in free and clean elections. We Peruvians have chosen democracy, that is, democracy has been accepted by all the political forces which have ideals recognizing elections as the only way to implement their programs and this is why these forces will compete to win in the 1985 elections.

As a demonstration of respect for the people's willingness to uphold democracy, this Council of Ministers formally declares that its political goal is to hand over the government to those elected by the people and to ensure political continuity by handing over to the elected government a country which can be economically manageable and free of dictatorial temptations. The government will do everything within the law and its democratic convictions so that no one is prevented from exercising his rights. The government is doing that as can be verified by the primary elections being held by the main political parties. Our objective is to make the internal structure of the government a solid instrument for defending democracy.

We hope that the 1985 election will be remembered not only as a brilliant election but also as a process which was implemented in an atmosphere of tranquillity and freedom. This atmosphere is already allowing and will continue to allow each citizen to pick calmly and in peace the candidate and party of his choice.

Public Security

Democracy is based on an adequate comprehension of public security. The Council of Ministers does not view public security as a Warsaw-like peace built at the expense of freedom but that security which, based on the law, will provide each Peruvian the right to self-fulfillment.

This government has acted and will continue to act in this fashion. This government considers its faithful, dedicated respect for the rights the Constitution has granted to the people as one of its major achievements, which will go down in history.

I believe I will not be making a bold statement if I contend that no Peruvian Government has ever shown greater respect for freedom than our government. Yet there are some who do not approve of a constitutional system and have resorted to insurrection to achieve their absurd goals. They have chosen as a means of struggle the worst, most cowardly procedure: terrorism.

The first outbreaks of insane terrorism emerged late during the past dictatorship. Following a wave of apparently uncontrollable actions, they were able to set up their bases in the Departments of Ayacucho, Apurimac, and Huancavelica and then moved on to the urban area of Lima. It is true that because of their fighting method they have become slippery, short-tempered individuals.

Through the participation of the Armed Forces, it was possible to partially stop subversive activities. Yet these activities have resumed with surprising aggressiveness. A total of 1,230 terrorist attacks have taken place between April 1983 and March 1984 and today, still undefeated, terrorists pose a real challenge to police operational capabilities in view of their stubborn, malicious attacks which have claimed the lives of fellow countrymen and have caused material damage.

To defend democracy, the Armed Forces and the police are implementing and will continue to implement their plan of action. This is an extremely important plan both now and in the future because we should not overlook the possibility of terrorist attacks aimed at deterring the people from voting. This is the most likely course of action for terrorists in the future and we should be prepared.

We have noted the large economic loss caused by nefarious terrorist actions. This is another factor the IMF officials should take into account because we are undoubtedly waging a battle to help democracy survive worldwide. Thus it should not be fair for us to shoulder the entire material and human cost of this battle with our meager resources.

The world public should be aware of this battle which, despite not being a conventional one, has not led the government into overlooking human rights. Yet we will be alert to reject the hypocritical attitude of those who, disregarding our national sacrifices, tend to ignore the violence, ill-treatment and crimes endured by the people of those terrorist-stricken areas and fallaciously only note problems affecting terrorists.

Peru is not a country ruled by a despicable dictatorship. We have an open society which is being attacked by the enemies of the very democratic system supported by representatives of international organizations. Those who overlook this truth do a disservice to democracy, show poor judgment, and are ultimately encouraging here subversive actions that they would not like to see in their own democratic countries.

Drug Trafficking

Drug traffickers are now involved in the criminal actions carried out by terrorists. Terrorists and drug traffickers are like two lethal pincers trying to inflict mortal injuries on democracy. With illegally obtained money, drug traffickers encourage news media to make subversive propaganda, supply weapons to insurgents, promote agitation through their corrupting force and commit the most horrifying crimes.

I do not think it necessary to refer to international actions that have filled some of our brotherly nations with grief. These actions show that drug traffickers not only infiltrate institutions but also seek to have political roles.

I warn you that we will be inflexible and implacable in repressing drug trafficking; even if some drug traffickers turn out to be outstanding and influential people, our actions against them will be no less efficient and rigorous. Justice will prevail throughout the country.

The government is also determined to stop crimes by punishing criminals under the law. We will restore law and order without making concessions. Honest citizens demand this from us.

It could be said that lately criminal violence has emerged from the darkest circles of our society, which also undermines the social, democratic, and legal system that we try to defend. The people are experiencing and suffering from the increase in delinquency, which has exceeded all sociological forecasts and the capacity of police forces to confront and dominate it.

Although delinquency in Peru is not as high as in other countries, all kinds of dirty criminal and sinister actions are being carried out. There are holdups, robberies, kidnapping, and murders, the brutality and cold-blooded manner of which make us shudder. However, we do not share the pessimistic view of those who maintain that criminal violence emerged after the return to democracy. It happens that while dictatorships cover up these types of reports, democracies uncover them. It happens that while dictatorships freedom of information than the sad extreme of not having any.

Despite our devotion to freedom of expression and freedom of information, we believe that there is an urgent need to draw the attention of mass media directors to the nature of their noble mission. It is not possible to reach a point where criminals are praised and the authorities slandered. We will unveil those evil alliances between profit-seeking formulas, sensationalism, and the building of myths around criminals, so that the people, whose principles are deeply rooted, will repudiate and condemn them.

Discipline and Morality

The reactivation that we are proposing involves a group of economic measures which were designed on the basis of the virtues of the Peruvian people. It is therefore necessary to stress the importance of social discipline as the axis of all programs, and to point to the evils that seem to be (?permanently) weakening it.

A general indiscipline prevails at several social levels, with [word indistinct] effects on the productive apparatus and on other sectors. This situation is marked by factors that the government cannot overlook, namely, disrespect for the law and lack of solidarity. The first factor involves a wide variety of actions ranging from crimes to the rejection of the authorities in charge of enforcing the law. Without the moral support that will strengthen them, the authorities can resort only to their material resources which, thus weakened, end up being completely ineffective.

This sad situation seems to revive that ill-fated colonial formula whereby the law is accepted but not observed. If the law is regarded as nothing but a formality, it then becomes bureaucracy. We will not admit such a failure and, above all, the distortion of bureaucracy.

This distorted bureaucracy plunges the spirit of the law into a quagmire of red tape, undermines the prestige of the state and curtails its power by destroying its democratic foundation and unless it is corrected and eradicated it will remain an unsurmountable obstacle on the path toward national recovery.

We do not mistake the bureaucrats indispensable for the rational fulfillment of the duties of the state for those who take advantage of their quota of power for personal advancement. Thus, our measures will be aimed at stimulating the former and eradicating the perversion of the latter.

The lack of discipline comes with the lack of solidarity. A violent example of the latter is the misuse of union prerogatives. I mean, specifically, wildcat strikes and unwarranted stoppages, the use of inhuman means such as taking hostages, taking over buildings, cutting off indispensable services such as transportation and medical care, and many others whose main motive seems to be for personal or factional gain, without any concern whatsoever for social or humanitarian interests.

The lure of illegality is ever present, the citizenry is being constantly invited to forsake its obligations to society and join pressure groups to secure privileges devoid of any social responsibility.

Knowledgeable people have said that power corrupts, and the lack of solidarity is the result of an immense and insensitive power, thus privileged groups do not hesitate to take advantage of any type of corruption, discouraging good citizens who, confused and sorrowful, see that crime seems to pay better than virtue.

We have no wish to maintain this status quo. Although it is true that at the beginning the democratic regime cast a blanket of generous oblivion on past illegalities, the time has come to correct this mistake.

This Council of Ministers will be inflexible in its struggle against immorality. As chairman of the Council of Ministers I hereby state that this is not just another declaration which will fall into the realm of empty promises, a set phrase in a speech.

Peru is tired of corruption and I am certain that the honest Peruvians will give us their support and trust to fulfill this noble task, which is an honorable commitment that the Council of Ministers has undertaken before me. [applause]

Every duly proven report will go to court. We do not plan to play the role of the judges, but their prompt sentences will be backed up severely by the executive branch.

Economic Reactivation

The overall status quo of the Peruvian society is distressing but not desperate. We believe that by drawing on the enormous spiritual reserves and through the work of the Peruvian people, we will overcome the current plight. In order to attain this goal we have prepared a set of measures which are the result of combining the expertise of those responsible for the various sectors of the executive branch with that of the economic sectors of the nation. These measures are the result of the dialogue which, as chairman of the Council of Ministers, I conducted with leaders of the productive sector, trade, banking, agriculture, mining, the export sector, and so forth, in this capital and also in Arequipa, Trujillo, and Iquitos. This dialogue also included labor unions and political parties.

We call these reactivation measures because we trust in their ability to stimulate national production at all levels and because their fulfillment will allow for the best possible combination of resources and manpower. These are rational measures on which undaunted experts and businessmen have agreed upon, they require a swift and effective cooperation of the legislative branch and speedy implementation by the executive branch. However, before starting to list them, I feel obliged to make the following statement.

The Council of Ministers makes it clear that there will be no traumatic devaluations, and that the exchange policy will be based on minidevaluations. This announcement will bring tranquillity to those who have been disturbed by sensationalist reports. However, we also want to warn that the main obstacle to our recovery lies in the lack of foreign currency. Therefore, one of the main objectives of our recovery is to obtain larger amounts of currency and to reduce currency expenditures. To reach this goal, it is essential to undertake concrete actions. To begin with, we must return to our own resources and try to increase our production and sell more locally produced goods on both the local and foreign markets. The path leading to our economic recovery involves a return to our country, to our own production. This does not mean that we will isolate ourselves, because there can be no dynamic economy without exports. It is meant to lead us closer to Peruvian resources when we produce, when we buy, and when we sell.

Our foreign currency deficit, which has become chronic, has acquired a new distressing dimension as a result of the crisis in the international financial system and the low level of exports. In past years, we could compensate for the deficit with a growing indebtedness whose interests have increased as if they were out of control, following the high rates imposed by the international market. But this financial resources is now exhausted, and our exports have been restricted by protectionist practices which have closed our traditional markets and, therefore, our source of currency. If we remain in this difficult situation, our prospects do not appear encouraging.

It is essential to row against the current and imitate the actions of other countries which have encouraged aggressive export policies and aggressive financial formulas. We have been the victim of foreign companies that have operated on the national market and that have reduced their prices by lowering their quality standards, that have offered outmoded or out of season products at wholesale prices, that have sold products that are technically obsolete in their own countries, that have encouraged disloyal practices such as underpricing merchandise on consignment, and that have even encouraged smuggling.

If we want to overcome this situation, the only thing we can do is try to increase our availability of currency by increasing our exports, and reduce our currency expenditures. This is our policy. We will encourage exports at all levels, mainly nontraditional exports, because of their larger added value and because of their potential markets. For this task, the government hopes to count on the dynamic action of businessmen and on the support of Peruvian workers, whose professional qualifications are beyond all doubt. However, an even more important factor is this government's decision to adopt all those measures leading to reconquering the international markets that have been restricted by protectionist practices, many of which have been of an intimidatory nature and in violation of international agreements.

We will launch a vigorous offensive in which the Foreign Ministry will undertake strong action. We will replace imports by helping local manufacturers defeat competitors, and by defending them from the effects of the harmful practices of competitors. We will adopt all the necessary measures to reconquer the local market for the national industry, because our market has been distorted by illegal practices such as dumping, underpricing, and smuggling. This has given rise to a reduction of production levels and to a consequent production cost increase. These measures will be so important that they will not only reconquer markets and promote production but will basically protect our balance of payments.

Our recovery program does not deal only with obtaining foreign currency, although this is a decisive and fundamental objective. It goes beyond that. Our program also aims at increasing employment and salary levels, at improving nutrition through timely measures for the agricultural sector, at improving health, at promoting cultural development, and at turning the current pessimistic attitude into another one marked by confidence in Peru.

To promote exports, the government will:

A. Increase CERTEX [export certificates] rates to compensate for the disappointing trend in imports caused by the increase of tariffs, and will extend the application of the CERTEX to all those products that do not enjoy this benefit, in keeping with their added value;

B. Ask the private sector to cooperate in the evaluation and control of applications for CERTEX, in keeping with a recommendation from the Office of the Comptroller General of the Republic;

C. Increase the working capital of exporters through the nontraditional export fund [FENT, Fondo de exportaciones no tradicionales] by granting longer terms before and after shipping, so that no exports should be lost due to lack of working capital;

D. Enforce more advantageous FONDEX [expansion unknown] terms and interest rates so that local exporters may enjoy the same credit facilities granted abroad;

E. Issue, through the (?SECREX) [expansion unknown], a guarantee policy to exporters that need working capital. This policy will give them access to the above-mentioned credits;

F. Finance the freight of exports shipped through ships or planes operating under the Peruvian flag. This measure will be implemented through an additional FENT line of credit that will be granted to exporters but that will be paid directly to the national transport company;

G. Refinance the credits granted in dollars for the purchase of capital goods;

H. Promote the active presence of our exporters in international markets by attending fairs and expositions, by sending commercial missions that will negotiate imports and exports and the purchase of lines of products and by trying to attract investors to establish of companies that will manufacture and export nontraditional products.

The government will also: (?issue regulations) for the implementation of nonconventional types of exchange, such as bartering and clearing; promote leasing and other modern exchange systems; expedite the issuing of the CERTEX and simplify its procedure; promote the association of exporters; support the negotiations involving freight rates and tariffs; install the Foreign Trade Advisory Council; create a national council for the promotion of exports; adopt an active policy in defense of prices and markets at the international level; coordinate the actions of the Ministries of Economy, Finance, and Commerce and Foreign Affairs in order to secure mutual support on those markets where there are no Peruvian commercial representatives; promote the establishment of commercial agencies on foreign markets; adopt an active commercial policy toward the PRC, Soviet, and Arab markets and also in other countries; promote an active participation in integration agencies like the Andean Group and the LAIA [Latin American Integration Association]; make sure that the private sector will be represented on the executive boards of (FOPEX) [Foundation for Promotion of Nontraditional Exports] and (?FOPTUR) [Foundation for Promotion of Tourism].

Concerning imports, the government will adopt the following measures, which are aimed at protecting the national industry:

A. Refinancing of credits granted in dollars, but only for capital goods;

B. Creation of a special registry for tax-exempt imports and for imports for which tax-exempt requests have been submitted;

C. Temporary suspension of those imports for which the government has evidence of dumping, underpricing, and smuggling.

More powers will be given to the (?INTINTEX) [expansion unknown] to prevent the purchase of poor quality products that are harmful to consumers.

The government will ensure compliance with the regulations that compel state-run companies and the state to buy mainly locally made products, and will abolish taxes on the reassessment of the value of company assets [revaluation de activos] and on the resulting capitalization.

These measures will be supplemented by others that will affect internal commerce as follows:

A. The defense of consumers, giving them orientation and information, and paying attention to their complaints;

B. The implementation of commercial systems on the basis of formal rules;

C. The sponsoring of specialized regional affairs

Taxation

State actions directed at attaining fiscal balance call for additional and simultaneous measures which have to do with the taxing system and customs laws, in order to improve revenues.

It is well known that tax evasion is one of the examples of lack of national discipline, but it is also true that it is to some extent caused by the shortcoming of the system of tax collection and decentralized nature of the administrative system.

We believe that it is possible to devise a taxing system which will truly serve the taxpayer by facilitating the payment of taxes, duly informing the taxpayers about the various brackets to which they belong and, while being severe when appropriate, encouraging the taxpayer to comply with his obligations out of sheer conviction. In keeping with these objectives we will propose measures dealing with taxation law and administration and will request the approval of:

A) Amendments to the Sales Tax: We propose to alleviate the burden of this tax on the production of goods by reducing from 18 to 6 percent the tax on sales of raw materials and capital assets purchased by manufacturing enterprises. This will mean that the manufacturer will pay less and gain liquidity. This reduction of costs will allow the enterprises to expand production, thus helping to reactivate the economy of the nation.

We also propose to compel under-the-counter trade to abide by the law. For this we will allow small-sized industrialists and merchants to change their sales tax status, provided they demand invoices from their suppliers for the purchases they make. A nimble administrative mechanism and a computarized system will ensure due control.

I would like to stress a suitable innovation: Full tax deduction claims will be acknowledged for purchases of fixed assets, so as to make sure that the utilization of these assets will not mean a financial loss for the industrialists.

B) Income Tax: The government will amend the income tax, reinstating its global nature. The tax burden on sales made by individuals will be reduced by lowering rates and readjusting deductions for dependants, and by other considerations. In exchange, tax rebates as investment benefits will be taken away.

As to corporations, certain deductions will be increased and others will be stabilized, keeping in mind the main objective of the tax. Furthermore, the system of tax deduction claims as a benefit for reinvesting profits will be maintained for corporations alone, as a means for lowering the high tax rates of the bracket which applies to corporations.

Permanently seeking to streamline taxation, our project includes the abrogation of taxes on the periodic reassessment of the value of company assets and their capitalization. [applause]

Seeking to help municipal governments, in keeping with our democratic principles, they will be allowed to keep the revenues from the real estate sales tax [impuesto de alcabala], and in order to prevent evasion, the rate will be lowered to 3 percent of the value quoted in the sales title of the property. The additional real estate sales tax will be revalued.

C) General Customs Law: We intend to update the existing legislation to suit it to the new situations created by changes in technology and in the form of national and international trade. To attain this, it is necessary to define the legal concept of chattel mortgage, establish guidelines for actions by customs offices, restructure rules on abandonment and auction of goods, define infringements, review the structure and functions of the Import Assessment Commission to allow the private sector to report irregularities, and grant the customs offices the necessary funds to function.

D) Tax Code: Its modifications will be proposed in order to improve the taxation administration and establish an efficient collecting system. Adjustments will be made concerning punishments and procedures to obtain an adequate legal instrument, capable of granting to the state and taxpayers the necessary guarantees for the exercise of their rights.

These measures must be adopted along with the abolishment of excessive bureaucratic paperwork, which is also a source of immorality and corruption.

We will adopt measures concerning general rules and regulations to expedite procedures, and also establish unpostponable deadlines for their compliance and punishments for those who fail to comply with them. Paperwork will be reduced, and priority will be given to the implementation of rationalization projects. A commission will be formed with representatives of the productive sector and of taxpayers who will propose measures to reduce paperwork and expedite procedures.

We are determined to adopt drastic measures to reduce public spending, measures that will not paralyze public works but will control wages and fiscal funds, severely punish corruption, and establish a list of priorities for public works and reschedule their implementation. These measures will also stop squandering by public enterprises by restricting general expenses and getting them to comply more strictly with the austerity measures in order to make them profitable and to increase their own funds, no matter what decision might be adopted with regard to the future of these enterprises. [applause]

Foreign Relations

Economic power and the program for its reactiviation that we have outlined must go along with the recovery of Peru's outstanding and traditional image abroad. I will now refer to the Foreign Ministry's role.

The Foreign Ministry will continue to defend the principles of respect for the treaties on which our national diplomacy is based, nonintervention, the sovereignty of other states, the effective self-determination of the peoples, the faithful observance of international commitments and obligations, the territorial integrity of nations, the peaceful solution of controversies, and restraint from using or threatening to use force.

These principles are designed to guarantee the international legal order. Therefore, it is essential to promote the full enforcement of this order, which is of significant importance for the Peruvain position within the framework of our foreign relations, particularly with regard to the Rio Treaty.

The promotion of this order, which seems to have become weakened lately, will be confronted with groundless and inconsistent opinions that confuse our legal position through false and demagogic reports.

Fortunately, the American community firmly maintains the principle of respect for treaties as a basis for international coexistence. We must never disregard this guarantee of peace and justice. [applause]

Whatever we do in favor of this effective diplomacy will also reduce the risk of an armed conflict, and such a conflict would be completely negative for our development and progress.

This diplomacy must produce an agreement to halt the arms race. If we succeed in signing one, we will have rendered a historic service of paramount importance and incalculable projections to the people of the Americas. We will direct our efforts toward this objective. [applause]

We reiterate our total respect and strong support for the basic principles of international law, which are proclaimed in the UN and OAS Charters. We also reiterate our faith in the efforts that the United Nations has undertaken in favor of peace, and we express our strong resolve to serve that purpose strictly in our capacity as members of the UN Security Council.

Our foreign policy, which promotes friendship with all nations beyond ideological differences, is a policy of solidarity with the legitimate aspirations and just demands of the Third World. However, our foreign policy will be specifically and primarily aimed at promoting and encouraging, with all the means within our reach, close political, economic, and cultural ties of cooperation with the Latin American nations. [applause]

For a long time Latin American nations seemed to have forgotten that they are linked with the unbreakable bonds of common origin, language, and destiny. However, the immediate and spontaneous expressions of Ibero-American solidarity, which came to life in the wake of the Malvinas conflict and of the hardships that our America has experienced, have shown Latin American countries that they can build a great family of nations on the basis of the Latin American spirit.

Latin America is increasingly convinced that only a strongly united stance will allow it to defend its interests efficiently. Isolated, Latin American countries have no influence and their voice has no weight at international forums. Under the current difficult circumstances, burdened by huge debts, and in the middle of the most serious economic crisis of the century, the need to unite becomes urgent, as we have seen in the actions of solidarity undertaken to face the problems of the region's foreign debt. [applause]

We will maintain this attitude, and we will participate in the tasks sponsored by the conferences of Caracas, Quito, and Asuncion. We will also give careful consideration to the reports and recommendations issued by ECLA.

The Foreign Ministry is concerned about the worsening of regional problems and believes that it is necessary to make the OAS more dynamic as a forum of friendship, understanding, and cooperation. It has been rightly said that the OAS can be only what the governments want it to be -- a merely bureaucratic mechanism, rather than a dynamic and creative organization.

Our Ibero-American policy will be based on the actions taken by our foreign service, paying particular attention to regional economic problems, to the existing integration agreements and the need for changes in them, and to the vast possibilities for a general reorganization of Inter-American trade. In addition, bilateral issues of the same nature will also be given careful consideration.

Our policy also foresees cooperation with the Amazon Pact, so that it may develop its potential capacity through scientific, technical, and economic studies of that vast area, which has incalculable possibilities, and of its great river routes, which make up the world's largest river network in the heart of South America.

We are deeply concerned about the dangerous events in Central America, whose people have been stricken by the violence of attitudes and interests that are, for the most part, of foreign origin. Linked with fraternal ties to the people of that region, Peru fervently hopes that peace, harmony, freedom, and independence will return to those countries.

The Foreign Ministry has on many occasions stated that it strongly supports the praiseworthy negotiating efforts of the member countries of the Contadora Group. The solution is simple and clear: no foreign intervention in the countries of the region; the simultaneous, verified, and total withdrawal of foreign troops and advisers of any kind; and the drawing up of overall peace agreements to establish democratic order in the region.

We want our diplomacy to stop resorting to easy rhetoric and to focus on the real economic situation. Nations are not linked just by history, but also by specific interests. Therefore, in order for the Andean Pact to operate effectively it must do away with rhetorical statements and ineffective bureaucratic procedures which reduce the fraternal ties among our countries to a limited, formal pattern.

The Andean Pact requires popular support from the democratic systems that prevail in our countries. It must also be expanded in order to include the private sector, which has shown great dynamism and concrete understanding of its possibilities.

I have repeatedly expressed this view at various international forums in which I participated representing the executive branch. The same realistic view, expressed in this speech regarding the Andean Pact, must be applied to all our foreign relations.

In keeping with its integrationist policy, Peru will try to get the ALADI and the Andean group to continue to make efforts to find new channels for establishing economic and technical ties with the EEC. Spain, a country that is intimately linked to the Latin American countries, will join the EEC shortly. We have no doubts that in the EEC, Spain will be the interpreter of and spokesman for the countries of Spanish origin and language.

A democratic diplomacy with a deep knowledge of the economic situation cannot ignore the importance of world geography, above all if we take into account Peru's location. Peru's future lies in the Pacific Ocean, which is the ocean of the future, according to historians and futurists. The effects of this situation must be appraised, which calls for an immediate review of the economic and cultural ties with other countries in the Pacific basin, since we are part of a geographic community that influences other regions, above and beyond different ideological positions. As other countries do, we must seek new markets, increase commercial ties with the large Asian countries on the Pacific Ocean, spot and study their resources, establish the necessary conditions for trade, and provide ourselves with the necessary capital and technology.

This does not mean that the value of international relations with countries lying on the Atlantic Ocean will be ignored. Tradition and our nearest ancestors call for it, and therefore we will continue respecting the links of Ibero-Americanism and Latinism.

The need to strengthen our economic diplomacy has its operative aspects. For this diplomacy to function, it is imperative to rearrange the training of our diplomats so that they acquire a better knowledge of the realities of the peoples. This is what we will be demanding from our Academy of Diplomacy so that it will serve the democratic cause which Peru has championed since 1980. [applause]

Through these conditions we hope that Peru will maintain its prestige in the international field. That prestige will also be a driving force that will facilitate the talks with those nations which have the key to the financial problems that are troubling us. Through these proposed plans we are eager to renew Peru's image abroad and to meet the desire of the nation that Peru should have a place in the world.

Agricultural Sector

In the reactivation we are not only interested in the impetus given to productive capabilities but we also seek to guide this increase to benefit the Peruvian citizen. Therefore, the sectors that deal with people, such as food, labor, and health, deserve our most careful attention.

The agricultural sector plays a key role in the reactivation of our economy, since both the Constitution and the development policies of the present democratic government assign priority importance to the encouragement of agriculture, considering that it is the foundation for progress. The measures that will be taken are the following:

A) To give confidence and security to the farmers concerning ownership of their land and recognize the property deeds held by farming cooperative members. Improve the required atmosphere of confidence in order to promote investments in the field so that the land truly becomes an asset that generates wealth, security, and well-being, and so that efforts are channeled toward activities that suit the country's needs best.

B) To choose new rationalization methods for investments in the agricultural sector, according to our resources and the expected profits.

C) To launch a second agricultural campaign in those valleys which have an irrigation system with water dams and a suitable climate.

D) To carry out small-scale projects for improving irrigation in poverty-stricken areas in order to provide jobs to local residents and improve their standard of living.

E) To protect cultivated land against floods, and drill artesian wells to counteract the adverse effects of drought in the Altiplano region.

F) To increase the capital for agricultural business in order to grant timely credits to farmers.

G) To provide an expanded credit backup, marketing mechanisms, and fair prices.

H) To create an agricultural insurance and a credit tax insurance.

This sector is profiting from the climatological improvement that is taking place this year, and it is overcoming the adverse effects of droughts and floods. The expectations for a good crop are optimistic. To date, rice production is expected to exceed 1 million metric tons, and all the surveys conducted lead us to expect the same results for other crops, which will benefit both consumers and exports. These results will help the domestic phases of the economic reactivation program.

Labor and Social Promotion

Messrs Lawmakers, in this message I would like to express my deep respect for all labor sectors, both unionized and nonunionized, urban and peasant labor, blue-collar and white-collar workers, men, women, and children. This is not a merely opportunistic statement, because it is based on legal measures that I and my colleagues at the ministries have always upheld.

Therefore, I cannot help voicing my concerns. One of them is over the lack of orderly, consistent, and easily applied labor legislation. To overcome this situation, the Ministry of Labor will conclude the task of building the labor legislation into a system.

In this regard, we must make the existing labor regulations on job stability, strikes, unionization, collective bargaining, and procedures to solve labor conflicts conform to constitutional principles.

Another issue deals with the right to go on strike. Even though the Constitution grants workers the right to go on strike, the Constitution itself sets forth that it is a right that is to be exercised in keeping with the law. The effects of the abuse of this right are so evident that the public demands that control be exercised. Therefore, there is a pressing need for congressional approval of the law that will set forth regulations for the right to go on strike in keeping with modern standards, and that will thus (?prevent) abuses.

Meanwhile, the Labor Ministry will continue to attach priority attention to its supervisory duties in order to prevent labor conflicts and to immediately solve the cases of noncompliance with labor regulations.

Another issue that has awakened considerable national expectation deals with job stability, because Congress still has to ratify the ILO agreement No 158 on the termination of the employer-employee relationship at the initiative of the employer. This agreement is a consistent, all encompassing system of regulations on one subject. If ratified, it will become an instrument that will grant minimum guarantees to workers, without precluding other rights that the law may have granted to them.

One of the methods used in labor policy is the promotion of relations between labor sectors through labor-government-management institutions. The National Labor and Social Accord Council is the institution in charge of implementing this method. Unions and employers' associations must become aware of the importance of their participation in this institution, so that problems may be solved through joint action, thus promoting harmony in labor relations.

Social Promotion

The government is confident that the above-mentioned economic measures will reactive the productive apparatus and will mitigate the harmful social effects of the crisis, effects that have been particularly serious in the area of employment.

The measures that the government will adopt aim at reducing the unemployment rate. The economic measures will be supplemented by others which will deal specifically with the labor sector, namely:

1. the creation of a special promotion and credit system for small companies and craftsmen;

2. the implementation of the pro-employment program, which will consist of the implementation of various projects directly linked with the productive sector, and which will have short-term results. These projects will have the following characteristics: small investment, intensive use of manpower, appropriate technology, and use of local and regional resources. The pro-employment program will also aim at increasing the level of employment in rural and urban underemployed sectors;

3. the implementation of a job training program in different professions or productive activities that will yield a regular income to a large number of unemployed persons in urban and rural areas.

Wage Policy

The objective of our wage policy will be to compensate for the deterioration of the purchasing power of salaries, mainly in the lower income bracket. Every effort will also be made to prevent an even more intense deterioration at all salary levels. Likewise, this policy will also aim at increasing the minimum salary until it matches the cost of the basic family basket.

We will continue to support the collective bargaining system so that most problems may be solved through direct negotiations. All resolutions will ensure that the interests of workers will continue to match the economic capacity of employers.

We will lend all necessary support to the study conducted through unofficial channels of the effects of the economy on workers and on productivity.

Energy and Mines

This sector will play a major role in obtaining foreign currency for our economic recovery. Therefore, it will be necessary to: a) intensify the use of the existing infrastructure and of our resources to increase mineral production and the production of energy; and b) complete the projects that are being implemented in keeping with their order of priority in order to increase production and obtain profits from the considerable investments in the sectors.

In the mineral production sector, Peru has suffered the effects of the world market contraction and of the internal recession. Investment has not reached the expected levels. However, the mining sector accounted for 50 percent of our exports in 1983, mainly as a result of the operation of the mining compensation fund.

This year, the (Cintaya) project will bring in $100 millon. The resumption of talks for the Cerro Verde II project will lead to the signing of the respective financial contracts. This project will also increase the inflow of foreign currency. As soon as the law for the(Tambo Grande) project is approved, the respective contract will also be signed. The feasibility studies of the (Bayovar) project have already been completed.

Another resource of the sector is oil. It is essential to design a stable oil policy that will permit us to remain exporters. Therefore, it is necessary to continue helping PetroPeru [State Petroleum Agency] to obtain funds to finance research, prospecting, and exploitation.

Messrs Lawmakers, I should tell you that the Ministry of Energy and Mines and PetroPeru are considering establishing a price system that will guarantee the necessary flexibility of fuel prices. This flexibility will depend on the government's need for resources but will not aim at making PetroPeru a self-sufficient company from the financial standpoint. A bill will be submitted soon regulating this flexibility and supervising the creation of an independent technical commission which will fix fuel prices.

In the international sector, we will have to design a policy that should protect the price of our mining products, which have been recently threatened by protectionist measures such as the one submitted by U.S. producers to the U.S. Foreign Trade Commission. In this case, direct action has been initiated through (?INDECO) [expansion unknown] in coordination with the (?CIPEC) [Intergovernmental Council of Copper Exporting Countries], which assesses and watches such practices, establishing the measures to be taken in order to prevent these or other market restrictions.

In the electric power sector, our country has one of the smallest power networks in Latin America. The democratic regime is undertaking actions to reduce this gap. We continue to attach priority treatment to the programs of provincial, rural, and district electrification. We have called for bids and signed contracts for a significant number of studies and projects of small hydroelectric and thermal power plants and for electric power networks in several localities. This policy will not change because it is very important for the development of the poorer provinces.

We should also stress the effects of electric power rate readjustments. We will promote the work of the electric power rate commission, where consumers and municipalities will be represented, so that they assess the various factors affecting electric power rates. Efforts will be made to have electric power rates affect the productive sector and the population as little as possible, and to establish preferential rates for the poorer sectors.

Finally, we cannot fail to mention the substantial damage that terrorist action has caused to the energy and mines sector. In 1983, when 116 pylons were destroyed, the damage reached 5,337,137,411 soles. Since 1980 to date, 176 pylons have been destroyed and the damages reached 7,138,967,607 soles. These figures do not include the cost incurred for increased thermal generation, which has reached 15,363,000,000 soles.

The companies of this sector have taken measures to halt the actions that have damaged their facilities. They have coordinated a program with the police and with the Armed Forces joint command. This program, which is of a confidential nature, appears to have already yielded positive results.

Interior Ministry

Many actions falling under the responsibility of the Interior Ministry are taken in cooperation with the Armed Forces, and they are directly aimed at defending the security of the state, controlling contraband, and preventing and repressing criminal activities.

In describing other sectors, we have pointed out the importance of the Interior Ministry's actions as far as economic recovery is concerned. But we cannot fail to note that the Interior Ministry is struggling tirelessly, using means that are not always adequate, and that one of the most important goals of the cabinet which I head is to provide this ministry with the means necessary to fulfill its objectives.

The police forces are subordinate to the Interior Ministry, but legislation is needed to bring them together under a single command so as to eliminate competition, about which malicious and discrediting reports are often spread. The Interior Ministry is promoting a doctrine encompassing all the various aspects of police action for which different and specialized personnel will be responsible.

In 1983 the police forces intervened in 317,830 cases of crimes and misdeeds; and in 76,752 cases from January through March of this year. The emergence of new criminal activities such as kidnappings, bank robberies, and other forms of crime have made concerted action, characterized by discipline, against these activities necessary, as proven by some successes that have thus been scored.

The Interior Ministry is part of the ongoing democratization process. In addition to their legally established functions, the political authorities will cooperate in the implementation of programs aimed at guaranteeing the distribution and sale of basic commodities. The role of these authorities will be modernized through a law on political authorities.

We want the Interior Ministry's role in the public mobilization program to be expeditious and viable for all the citizenry, especially in this preelectoral period. On the other hand, public order is the foundation of the efforts being made to overcome the crisis.

We will increase the number of police personnel through accelerated promotions. With the purpose of ensuring peace in the cities, vehicles will be provided and policemen will be given incentives and insurance.

Armed Forces

Each branch of the Armed Forces will cooperate to implement the reactivation program. The Army as a branch of the Armed Forces will continue discharging its constitutional mission in accordance with the objectives and policies of national defense and development. Its training is directed at creating a force capable of successfully confronting external and internal threats, as well as participating in civil defense to alleviate the destructive effects of natural phenomena or any other calamity. This training is effective for the objectives assigned to the Army.

As far as the national defense is concerned, the Army will continue guarding our borders, anticipating threats from any enemy. At the same time, it will continue undertaking antisubversive operations in the emergency zone in order to restore internal peace and order, and keeping itself ready to act in other zones of the country if necessary.

Without neglecting its principal mission, the Army will continue to participate in national development, whether related to road infrastructure in the three regions of the country, whether related to rural settlement in the Selva [forest region], or whether related to cartographic survey.

As far as road-building is concerned, it is important to note the construction of the Tocto-Cangallo-(Patapuquio) road segment and that of the (Cicamarca)-Carapo-(Huancasango)-San Francisco-Puerto Rico-Atalaya road connection in the emergency zone.

I should also [word indistinct] in the completion of the national map, the inclusion of 25 sq km and the updating of 120,000 sq km of national territory, as well as the completion of the official land register of the metropolitan area of Lima, in coordination with the city provincial council.

As for the Peruvian Navy, the Council of Ministers point out that its most important task corresponds to preestablished plans dealing with the national defense and other activities. These activities have revealed the professional level of Navy personnel and the development of the shipbuilding industry, all of which has allowed Peru to achieve superiority in this sector among southeastern Pacific and Andean Pact countries.

The Department of Hydrography and Navigation is actively engaged in scientific and technological research aimed at improving the use of our rivers and oceans and their natural resources; in oceanographic, hydrographic, navigational, meteorological, maritime, and cartographic activities; and in the placing of buoys at sea, in rivers, and on lakes. All these actions have promoted naval activities and have made them safer.

The Peruvian Air Force, which plays an active role in national defense, is in charge of several activities that serve the reconstruction plan, such as scientific development and research. The Air Force has cooperated and is continuing to cooperate in the prospecting and exploitation of oil. It cooperated by supplying transportation facilities in the disaster zones last year, and it provides regular transportation services on routes not covered by commercial companies.

The Air Force actions, like that of the other forces, has been and is remarkable in the emergency zone, especially in Ayacucho.

The Air Force has played a significant role in drawing up the geological map. In addition, with the help of new technology, the Air Force has assessed our vast mineral resources and also resources of a different nature. The Meteorological Service, which serves the three branches, has been particularly useful for the Air Force.

Messrs Congressmen, In this message I submit the general program of the government and the measures that we will adopt to fulfill our constitutional mission. I believe that it will be useful to reiterate its main guidelines here.

I reiterate that this is a difficult time for our nation. The people expect from us, the executive branch, and from Congress the decisions that will confirm their confidence in their institutions and in the capability of their leaders.

Under these circumstances, we are aware of our responsibility and we have come to tell you and the Peruvian people that we accept such a responsibility with all the weight that it carries and that, therefore, nothing will make us give up our determination to fulfill it. We want to reactivate the national economy to give our fellow countrymen the standard of living that they deserve, so that without the temptations that are common during critical times Peruvians may freely elect their leaders in 1985.

If we have summarized the future action of the ministries, it was for the sake of time and to avoid an excessively long message, and because each minister can individually supply details to Congress. The ministers are ready to answer the call from congressmen and also to demand their presence in order to let the people's representatives learn about their projects. Our program has national objectives. However, I will not deny that I belong to a party. I am a Popular Action member. [applause]

OPPOSITION LEADERS REACT TO MARIATEGUI SPEECH

PY161642 Lima Television Service in Spanish 0030 GMT 16 May 84

[Text] Today there was reaction to the speech delivered by Sandro Mariategui from Alan Garcia, secretary general of the American Revolutionary Popular Alliance; Enrique Bernales, senator for the United Left; Celso Sotomarino, deputy for the Christian Popular Party; and Dagoberto Lainez, member of Popular Action and president of the Chamber of Deputies.

[Begin Garcia recording] The minister's speech has two main aspects. First of all, the government has recognized, with 4 years delay, some of the things the opposition has been demanding. We demanded long ago that imports, which were destroying national industry, should be stopped. The minister now says that the time has come to return to our national industry, thus recognizing the serious error made during the last 4 years, a mistake which created so much unemployment and the spending of so many U.S. dollars which has impoverished the country. [end recording]

[Begin Bernales recording] We wish Mariategui well during the 15 remaining months of his administration. He will continue to make all efforts to strengthen democracy, so that our country may continue to be a civilized country.

I believe that the minister's speech has important aspects, particularly the one related to the need to improve the country's export policies in order to increase our capability to attract foreign currency and savings. The minister also talked about another very interesting aspect -- stimulating exports. I am referring to traditional exports.

The part of the speech related to imports is also interesting, because tariffs will be reviewed, and foreign products that compete with articles we produce will not be allowed to enter the country. In other words, the national industry will be protected. I would like to point out that these measures were proposed by the United Left at the beginning of this administration. At that time we criticized the neoliberal model imposed by Minister Ulloa. [end recording]

[Begin Sotomarino recording] I believe Mariategui is a very sensible, firm, and perserver-ing man in making decisions. He has submitted a program that I believe is more compatible with my own and my party's viewpoints than that of the other ministers, because no one could convince me that the type of economic crisis we now have can be solved through monetary measures. The problem here is a question of production, and this is where Mariategui has put his greatest emphasis. I believe Mariategui's program goes in the right direction [end recording]

[Begin Lainez recording] We Peruvians, particularly myself as national deputy, have faith and hope in the message delivered by Mariategui to the people. In the face of the international crisis, particularly here in Latin America, I believe that the Peruvian example speaks for itself. We are a country in crisis, but with less damage than there is in other countries. We are a country which has not yet gone begging. We are a country which in the 36 days Mariategui has been in office has obtained a credit of $627 million which is a sizeable figure for a country that has economic problems but is not bankrupt. [end recording]

NOBEL PEACE PRIZE WINNER CONDEMNS SHINING PATH

PY111550 Lima Television Service in Spanish 0030 GMT 11 May 84

[Text] On 10 May Nobel Peace Prize winner Adolfo Perez Esquivel harshly condemned the terrorist acts perpetrated by the Communist Party Shining Path, and asked that an all-out war be waged against it. Upon arriving at the international airport on 10 May at 0800, back from Ayacucho, the leader of the Peace and Justice Movement, who won the Nobel Peace Prize in 1981, expressed his repudiation of the subersive acts in Peru.

SHINING PATH KILLS 21 IN PAICCAS VILLAGE

PY101921 Paris AFP in Spanish 1804 GMT 10 May 84

[Text] Ayacucho, 10 May (AFP) -- The police today reported that another massacre of peasants took place yesterday in La Mar Province where Shining PathExtremists killed 21 and wounded 45 peasants. The bloodbath occurred in the morning in Paiccas, La Mar Province, 150 km northeast of Ayacucho, while Argentina Nobel Prize winner Adolfo Perez Esquivel was meeting with the local archbishop as part of the agenda of his 24-hour visit.

The police explained that approximately 300 persons armed with rifles and knives and led by members of the Shining Path raided Paiccas where they killed 21 and wounded 45 persons. Five of the wounded are in serious condition and are expected to arrive at the hospital in Ayacucho today.

TWO NEW SUBVERSIVE GROUPS DISCOVERED IN NORTH

PY161420 Lima Television Service in Spanish 0030 GMT 16 May 84

[Excerpts] Today Interior Minister Luis Percovich Roca reported that two new subversive groups named (Pucallata) and (Huaycacholo) have appeared in Cerro de Pasco and in the northern part of the country.

[Begin recording] [Percovich] The first attack took place on 14 May on the electoral court facilities in the (Chuschi) district. As a result of security measures, several subversives linked to Shining Path were captured. These arrests are in addition to the ones I reported after the meeting with the president yesterday. Today we received new information about the capture of more Shining Path members in Cusco.

[Unidentified reporter] Have these people been identified?

[Percovich] I do not have their names, but they are four individuals linked to Shining Path. They are four youngsters who were carrying out a political campaign. One of them had in his possession a powerful radio transmitter which had been stolen from the airport. [end recording]

In other events, subversive groups, probably Shining Path, attacked police police forces and murdered two peasants in Cerro de Pasco and (Huainco).

BRIEFS

NEW ALGERIAN AMBASSADOR -- President Fernando Belaunde Terry had received the credentials of the new Algerian ambassador to Peru, Mustafa Lacheraf. [Text] [Lima Diplomatic Information Service in Spanish 0540 GMT 10 May 84 PY]

PARTIES TO RESUME DIALOGUE WITH ARMED FORCES

PY160251 Montevideo Radio Carve in Spanish 0000 GMT 16 May 84

[Excerpt] Political parties will adopt a common position toward the proposal of the Armed Forces. This decision was made during a meeting held by the interparty group in the absence of Blanco Party representatives, who said that they are devoting all their time to gathering signatures for the referendum. The meeting, which lasted more than 2 hours, was held at an office on Florida Street and was attended by Colorado Party representatives Enrique Tarigo and Jose Luis Batlle, Civic Union representatives Julio Daverede and Eduardo Perez del Castillo, and Broad Front representatives Liber Seregni and Jose Pedro Cardozo.

After the meeting, the party leaders said that they will adopt a common, and not individual, position toward the Armed Forces proposal, and that the interparty group will meet again next Tuesday. The leaders also said that they agreed to engage in a dialogue with the military in order to try to find an institutional solution for the country with the elections scheduled for 25 November 1984.

COLORADO PARTY LEADER MEETS BRITISH MINISTER

PY161255 Montevideo Radio Carve in Spanish 0000 GMT 16 May 84

[Text] Colorado Party leader Julio Maria Sanguinetti has met with Sir Geoffrey Howe, the British secretary of state for foreign affairs. The Uruguayan leader is due to travel to Paris tomorrow. During the meeting, which was also attended by other British officials and lawmakers, Sanguinetti stated that the Uruguayan democratization process will come to a successful end, but that he attaches great importance to the attention that the British Parliament may give to the issue. Sanguinetti also reiterated his strong criticism of the agrarian policy of the EEC. The Malvinas issues was also discussed during the meeting. In this regard, the Colorado Party leader said that even though there are shades of opinion in Uruguay, it has unanimously supported a negotiated solution.

MEDIA FORM COMMISSION TO DEFEND FREEDOM OF PRESS

PY161937 Madrid EFE in Spanish 1333 GMT 15 May 84

[Text] Montevideo, 15 May (EFE) -- Representatives of the Uruguayan press media have decided to create a commission to defend the "liberty of information" in opposition to the military regime that has closed dozens of newspapers and radio and television stations during the last few months. During a meeting of persons responsible for all the mass communications media it was decided to appoint a "committee of prominent persons" to give unanimous support to all the press and to prevent self-censorship, which permits the government to control information.

The commission is composed of Washington Beltran, former president of the Government Council, former legislator, and director of EL PAIS newspaper; Rafael Noboa, chief editor of the liberal newspaper EL DIA; and Danilo Arbilla, editor of the closed economic weekly BUSQUEDA. The commission is also composed of German Araujo, director of the radio station CX 30, punished by the regime with 1 month of closure; Neber Araujo, director of news programs; and Antonio Dabezies, director of the closed humoristic magazine EL DEDO. The commission is preparing a public statement and is trying to obtain the support of all the media in Montevideo and in the interior in face of the wave of closings in the last 30 months by the de facto government presided over by Gregorio Alvarez.

PAPERS, MINISTER VIEW DE LA MADRID U.S. VISIT

EL UNIVERSAL Previews Talks

PA170240 Mexico City EL UNIVERSAL in Spanish 14 May 84 p 4

[Editorial: "Presidential Trip"]

[Text] Just before President De la Madrid meets with his U.S. colleague, Ronald Reagan, it is necessary to assess the state of relations between the two countries to determine how matters of mutual interest may be promoted by the Mexican president on his trip.

The subjects to be discussed are many and complex, primarily involving economic, commercial, and financial aspects of bilateral relations. De la Madrid's visit to Washington coincides with a very significant regional development that affects the economy of the Latin American countries: the increase in bank interest rates, which has pushed foreign payments up, imposing further sacrifices on the debtor countries. The case of Latin America and of four countries in particular -- Mexico, Brazil, Argentina, and Venezuela, whose debt totals $350 billion -- is an obvious example. This issue will certainly have priority in the talks, during which the Mexican president will request that the United States show more flexibility on and understanding of the financial problems afflicting the countries south of the Rio Bravo.

Commercial affairs will also be of great importance, as they will deal mainly with a request that better conditions be provided for Mexican products, which have often been subjected to discriminatory and protectionist measures. More freedom in trade permitting greater access to the U.S. market could mean a more cooperative attitude between the two countries.

As government officials from both countries have said, no specific results, such as the conclusion of agreements, are expected, but a broad understanding that will permit future improvements in our relations, within a framework of equality and respect, is being sought. Other issues of mutual interest that will certainly receive a significant boost from the presidents' meeting are those involving marine territory, pollution, illegal emigres -- the last being an issue that is of primary short- and long-term importance to both countries -- and scientific and technological exchange. There are also multilateral topics, based primarily on both countries' concern with peace and international security, which have been seriously affected by the tensions between the blocs and the constant and increasing arms race.

Profound differences exist between Mexico and the United States, the result of their different stages of development and of the roles they play internationally. There have always been issues upon which they have sharply disagreed, but the spirit of cooperation and good-neighborliness, which is the foundation upon which the talks will be held, is more important. Above any difference are their significant historical and economic links, which can prevail over all antagonism. That is why, even before the fact, President De la Madrid's visit can be considered important and worthwhile, because it will permit mutual understanding between two strongly linked nations.

UNOMASUNO: Talks 'Harsh'

PA170215 Hamburg DPA in Spanish 1930 GMT 16 May 84

[Text] Mexico City, 16 May (DPA) -- The Mexican newspaper UNOMASUNO today said that the speeches exchanged by President Miguel de la Madrid and his colleague Ronald Reagan in the first day of the former's visit to Washington were "harsh."

According to the newspaper, the speeches delivered yesterday by the two presidents "clearly reveal once again the profound differences in their approach to a solution of the Central American crisis."

UNOMASUNO pointed out that in his speech welcoming De la Madrid, Reagan "spoke with rudeness and impatience," and that "it was reported privately that Reagan insisted that Mexico understand his position." The newspaper added: "However, Reagan's aggressive attitude did not catch De la Madrid by surprise, because the latter bluntly declared Mexico's demand for nonintervention in Central American affairs and its rejection of military solutions to economic, political, and social problems."

Yesterday Reagan accused the "totalitarian coalition" of the USSR, Cuba, and Nicaragua of "stoking the fire by sending weapons to promote tyranny and aggression." He asked his Mexican colleague to "work together" in preventing "military cooperation with the communists and other regressive regimes."

Sepulveda: Visit 'Successful'

FL170102 Mexico City NOTIMEX in Spanish 2340 GMT 16 May 84

[Text] Washington, 16 May (NOTIMEX) -- President Miguel de la Madrid's visit to Washington has been successful, Mexico's Foreign Secretary Bernardo Sepulveda has stressed at a press conference held here today. Sepulveda said the Mexican delegation is satisfied with the way President De la Madrid was received and the manner in which the talks were held, making it possible for the Mexicans to express their political views and later listen to the U.S. viewpoint.

Earlier, U.S. Secretary of State George Shultz had said that President De la Madrid's visit went well and was constructive in general. He added that Mexico-U.S. relations are rich and varied, and that it had been a privilege to meet with the Mexican president and his delegation. The U.S. Secretary of State met with the Mexican president for 90 minutes at the hotel where he is staying. Summing up, he said: We were able to maintain the quality of the dialogue in a general sense of progress.

PRESIDENT ON FOREIGN POLICY, DOMESTIC 'CRISIS'

PA170335 Mexico City NOVEDADES in Spanish 12 May 84 pp 1, 10

[By Sergio De Avila]

[Excerpts] Yesterday President De la Madrid criticized those who try to make a profit from the people's crisis and said he would take vigorous measures against them. He said: "I realize that the people are desperate, but the government must remain firm, for there are no better options. We would certainly follow another course of action if a better one were available." De la Madrid made this statement when opening the assembly of the Mexican Workers Regional Confederation [Confederacion Regional Obrera Mexicana, CROM] at the National Medical Center Auditorium.

He reiterated his support for Mexico's foreign policy, which is one of dialogue, not of confrontation, because "the Mexican people do not want confrontation; they want cooperation and respect for their country's independence and sovereignty." In the first part of an improvised speech, the president said that his foreign policy's main objectives are to serve the nation's interests and to defend, strengthen, and promote the Mexican people's sovereignty.

"However, Mexico's foreign policy also seeks to influence world events so that they benefit us, rather than hamper us."

This is the objective of his visits to Latin America, Canada, and now the United States. "There is no aspect of Mexico's foreign policy that does not involve our nation's profound interests."

De la Madrid said that Mexico's foreign policy is one that promotes dialogue and cooperation, seeking peaceful solutions to differences.

He also commented on the domestic situation. The Mexican people continue to suffer the consequences of the economic crisis, because prices continue to rise, affecting the people's income and buying power.

"My administration acknowledges this situation and suffers along with the Mexican workers; however, it must face problems calmly and firmly."

The people's solidarity, especially that of the workers, has helped to contain the chaotic situation, which threatens to lower the level of economic activity even further; it has also helped to combat inflation.

De la Madrid said: "We have kept the rate of price increases below the rate of inflation. Thus, we again have control over the financial system, and public savings are growing. Over the last few months, we have seen the initial signs of a gradual recovery."

Sometimes we feel weary and desperate because the struggle grows bitter and dull, "but I must point out that the government has to remain firm in pursuing its economic policy. It has been internationally recognized that we are on the right track, because the crisis is being felt worldwide. Mexico is one of the countries that is facing the crisis most effectively, because we have a social, political, and economic system that stimulates us, that gives us energy, that promotes our nationalism.

"We cannot rest. Let us work with more energy, while -- I must agree with you -- we work with more justice."

He concluded: The government's goal is to remind the people that unity strengthens the nation and that the lack of unity weakens it.

CZECHOSLOVAKIA TO INCREASE, BALANCE TRADE

FL111622 Mexico City NOTIMEX in Spanish 0330 GMT 11 May 84

[Text] Puebla, 10 May (NOTIMEX) -- Mexico and Czechoslovakia will encourage trade until it strikes a balance, and this year's estimate is set at $30 million, Vaclav Maly, that socialist country's embassy commercial attache, asserted today. He explained that Mexico will export to Czechoslovakia agricultural products, including $10 million worth of coffee.

He added that such an amount of coffee represents one fourth of his country's consumption. Mexico will also sell fruit preserves, vegetables, natural fibers, and chemical products, such as phosphoric acid.

Maly, who accompanied CSSR Ambassador to Mexico Jindrich Tucek on a tour of Puebla's third international fair, added that his government hopes to raise the level of trade relations with Mexico. He recalled that Czechoslovak industrialists have invested 1 billion pesos in this city for heavy machinery production.

NAVAL COMMAND REPORTS MANEUVERS SUCCESSFUL

PA160016 Mexico City EL NACIONAL in Spanish 12 May 84 pp 1, 3

[Text] The "Alert II-84" naval operations concluded successfully yesterday with the participation of minesweepers, coast guard vessels, patrol boats, airplanes, and helicopters, and a number of Marines in San Luis Carpizo, Campeche, and Puerto Cortes, Isla Margarita, and Baja California Sur.

The Mexican Navy's general command reports that the operations were carried out on the instructions of Secretary of the Navy Admiral Miguel Angel Gomez Ortega, who is very interested in ensuring that naval forces personnel receive the necessary instruction, preparation, and training to safeguard the sovereignty of our territorial waters.

The operations, both in Campeche and Baja California Sur, involved 1,200 participants, who were equipped and trained and who carried out disembarkation maneuvers from surface vessels and parachute drops, as well as practicing hand to hand combat in different environments.

The Mexican Gulf operations, which were supervised by Vice Admiral Mario Gonzalez Laine, involved minesweepers Nos 3, 12, and 15; coast guard vessels Sainz de Baranda and Breton y Blanco; patrol boats Cordova and Rejon; two Albatross airplanes: and two helicopters. Members of the Marines' 1st, 3d, 9th, 11th, and 31st companies, along with the 1st company of paratroopers and the Naval General Command, also participated.

The "Pacific Alert" operation was supervised by Vice Admiral Luis Carlos Ruano Angulo and involved coast guard vessels Ocampo, Prieto, Santos, and Lerdo; patrol boats Quintana, Guzman, Mata, and Izazaga; the tugboat Yaki; two Albatross airplanes; one Bell helicopter; and personnel from the Marines' 2d, 4th, 10th, 12th, 20th, 24th, and 26th companies; the 1st company of paratroopers; and the Naval General Command.

The Mexican Navy's General Staff pointed out that the results of these operations were highly positive, adding that they did not detract from the Navy's duties in Mexican waters, supervised by naval command representatives Vice Admiral Hector Elias Robles in the Pacific and Vice Admiral Luis Jacome Calderon in the Mexican Gulf.

The two naval commanders were able to observe the high quality of preparation for the maneuvers, which received logistical support from the naval zones of Champoton, Campeche, and Puerto Cortes, Baja California Sur.

ELECTORAL TRIBUNAL SAYS BARLETTA PRESIDENT-ELECT

PA161259 Panama City Domestic Service in Spanish 1151 GMT 16 May 84

[Announcement by Everardo Tomlinson, secretary general of the Electoral Tribunal; place not given -- recorded]

[Text] I want to give you the final information on today's calculations. These calculations took into consideration not only the number of votes listed in the records of Circuit 8-6 but also the votes listed in the 39 records delivered yesterday by the National Vote Counting Board to the Electoral Tribunal.

The data provide the following figures for the alliances that participated in the 6 May elections.

National Democratic Union [UNADE]: 300,750 votes.
Democratic Opposition Alliance [ADO]: 299,037 votes.

The difference is 1,713 votes, in favor of UNADE. Under these circumstances, it can be stated that Dr Nicolas Ardito Barletta is the new president of Panama and that Eric Arturo del Valle and Roderick Esquivel are the new first vice president and second vice president, respectively.

The official proclamation will be made by the Electoral Tribunal magistrates after I give them a report that will be accompanied by charts and all the calculations made by the auditors from the office of the comptroller general, who kindly made great efforts with great dedication to cooperate with the office of the secretary general in this arduous work of clarifying, for the Panamanian citizens the questions surrounding the presidential elections.

This is the official data we have based on today's calculations. I give this information to everybody here so that you may report this in the media, so that the people may know the results of the calculations by the Electoral Tribunal.

I want to thank all of you for being patient and persevering, remaining here for so many hours to be informed of the results. The task has been arduous, but we carried it out with the best spirit to free the people of the unrest and uncertainty that have been present since 6 May.

Issues Communique

PA170004 Panama City Domestic Service in Spanish 2331 GMT 16 May 84

[Communique issued by the Panama Electoral Tribunal in Panama City "a few minutes ago"; dated 16 May]

[Text] The undersigned secretary general of the Electoral Tribunal, duly authorized by the honorable magistrates, announces to the country that during meeting No 44, which was held this afternoon, the members of this institution resolved all challenges and appeals that were pending a decision. Immediately thereafter, they proceeded to approve the report containing the total vote counts of the 39 tally sheets from the electoral circuit boards that were turned over to the tribunal by the National Vote Counting Board on 14 May, as well as the 312 tally sheets from the polling places in Electoral Circuit 8-6, San Miguelito District, which were scrutinized during a lengthy session lasting from Tuesday, 15 May to Wednesday, 16 May, under the guidance of the general secretariat.

Consequently, the Electoral Tribunal announces that it has recognized the victory of the presidential slate led by Dr Nicolas Ardito Barletta, which according to the count and verification, obtained 300,748 votes, while the rival slate headed by Dr Arnulfo Arias Madrid won 299,035. This gives the UNADE [National Democratic Union] a margin of 1,713 votes over the ADO [Democratic Opposition Alliance].

The proclamation of the candidates of the presidential slate consisting of the distinguished gentlemen Dr Nicolas Ardito Barletta, Eric Arturo del Valle, and Dr Roderick Esquivel, president, first vice president, and second vice president, respectively, will be made in a separate resolution upon expiration of the period for issuance of the resolutions containing the decisions on all of the challenges and appeals that have been mentioned.

The ceremony for the presentation of credentials to the elected candidates, as well as the place, date, and time of that presentation, will be announced in due time.

Signed: Dr Everardo E. Tomlinson H., Secretary General

TRIBUNAL MEMBERS DISCUSS RESULTS WITH PRESS

Quintero Holds News Conference

PA161912 Panama City Domestic Service in Spanish 1741 GMT 16 May 84

[News conference given by Cesar A. Quintero, president of the Electoral Tribunal, at the supreme electoral tribunal offices, to unidentified reporters -- live]

[Excerpts] [Passage indistinct] [Question] Mr President, are you prepared to say that these elections were not fraudulent?

[Quintero] I cannot say that. Not until we have analyzed all the details.

[Question] Will the vote count change? Will there be any difference?

[Qunitero] It all depends. The two magistrates and myself have been working on that, and there is very little left to do. However, the documents will have to be signed by all the magistrates. There are three or four documents for each to complete, but this will completed rapidly. Now, if the others agree, we will proceed to sign them. If there is not a unanimous consensus, then we will have to go with the majority.

[Question] When do you think Panama will learn who its new president is?

[Quintero] As soon as the proclamation is made.

[Question] Do you think it might be this week?

[Quintero] Well, it is very possible in view of the speed with which the tribunal is working on the challenges, most of which are unfounded. In fact, 98 percent of them are unfounded.

[Question indistinct]

[Quintero] There are many more challenges against the Democratic Opposition Alliance [ADO] than against the National Democratic Union, UNADE. Therefore, the rejected challenges favor ADO.

[Question] What is the decision you must make this morning as the Panamanian people await a proclamation by the Electoral Tribunal of the new president of the Republic.

[Quintero] Why should they be awaiting that today, since we have never told the Panamanian people we were going to have a decision today? That would be impossible. Do not forget that the night before last we met here with the National Vote Counting Board, which turned everything over to us. We have counted the figures, and there were differences among the members of that board. I received a letter saying that only five circuits had been counted, while others claimed that all had been counted. Then they said they had read them all. I asked what the difference was between reading and counting, saying that counting meant just that, to count. Then the tribunal was committed to count all the San Miguelito voting booths because all of them had been challenged. The law says that in the case of challenges, it is up to the tribunal to count the challenged votes. Last night we again counted all 40 circuits.

[Question indistinct]

[Quintero] Well, the secretary can supply the figures again. However, I repeat, most of the challenges have been declared unfounded.

[Question] So, will all political parties be present during the tally of the 2 percent of tally sheets that have been contested, which you said you will begin a review of?

[Quintero] No, no. Pardon me. This is not a vote tally. A total of 86 protest suits have been filed. Of these 86, virtually all have been decided upon, rejected. Some four are left. That is why I say, some four are left -- [word indistinct]. Some three or four are left. And this is what we must review.

[Question] Can the results of this new tally change the results in favor of Dr Arias?

[Quintero] I cannot say anything on this. I could not say anything.

[Question] Did the parties that support Dr Barletta win?

[Quintero] According to this count, yes. According to this count here, yes. And according to the total figures, which the secretary can read for you.

[Question] Is that official?

[Quintero] It will not be official until all protests are attended to, and we have had 86 in a row.

[Question] We would like you to give an opinion as to when we will know who will be the new president of Panama.

[Quintero] When we resolve all the protests.

[Question] However, when -- tomorrow, or the day after tomorrow?

[Quintero] Maybe it will be decided tomorrow. Today, it is possible but improbable [laughter] It is possible, but it is improbable.

[Question] Dr Quintero, you have just said that those challenges will not change the results of the election?

[Quintero] I think not.

[Question] How many tally sheets from San Miguelito were being challenged?

[Quintero] There were 314. I think there were 2 that could not be tallied because there was no data, therefore, there were 312.

[Question] They were counted here?

[Quintero] Here, in public, with representatives from all the parties.

Reporters Interview Magistrate

PA162000 Panama City Domestic Service in Spanish 1805 GMT 16 May 84

[News conference given by Rolando Murgas, magistrate of the Supreme Electoral Tribunal, at the Supreme Electoral Tribunal offices, to unidentified reporters -- live]

[Excerpt] [Question] Are we to understand, Dr Murgas, that after the final meeting of the Electoral Tribunal magistrates, we may have the exact [voting] figures in the next few hours?

[Murgas] It depends. If the remaining challenges meet the same fate as the ones that have already been cleared, the official results could be announced within the next few days. However, should there be any other challenge to clear, then we would have to wait for the result of that action to see whether it affected the vote count. We have challenges even affecting an entire circuit. For instance, in the cases of San Miguelito, and Roca del Toro, which were both totally challenged, we have all votes counted. We know that Dr Arias won in San Miguelito, but we also have some challenged sectors where Dr Barletta won.

Then, once we clear all these challenges, it will be possible to offer an official list of figures. Now, if the challenges are accepted in these cases, this would annul the election. Then the elections would have to be held again since the overall results are affected. An election would also be repeated if a political party filed such a request because its electoral survival quota was affected. Then the reasons for repeating an election are: 1) if annulment of an election affects the final results; and 2) if a party needs the votes involved for its survival quota, which at the present may be a little over 18,000 votes.

[Question] Taking into account the fact that 98 percent of the challenges have been unfounded, as explained by Dr Cesar Quintero, with only 2 percent left, can we surmise that after this 2 percent is cleared, it would be very difficult to cause a change in the official final figures?

[Murgas] I cannot define that now. I repeat, if any one challenge involving more than the present difference in votes for the presidential election is accepted, then to determine the winner the presidential election would have to be repeated in those circuits declared null. If no challenge is accepted, there being an insignificant number of votes, then the result given by the tribunal would be irreversible.

ELECTORAL TRIBUNAL REJECTS ALL CHALLENGES

PA170118 Panama City Domestic Service in Spanish 0022 GMT 17 May 84

[Interview with Rolando Murgas, magistrate of the Panamanian Supreme Electoral Tribunal, by an unidentified reporter in Panama City on 16 May -- recorded]

[Excerpts] [Reporter] A few minutes ago, the Electoral Tribunal issued a communique announcing that, following the meeting of the members of the Electoral Tribunal, the Tribunal has recognized the victory of the presidential slate led by Dr Nicolas Ardito Barletta. We will interview Tribunal Vice President Rolando Murgas about this communique. What is the legal value of the communique?

[Murgas] The purpose of the communique is to inform the citizens about aspects related to the final results of the presidential election that they have been anxiously awaiting. At the same time, it was issued because the tribunal wanted to report all of its actions in this electoral process step by step.

One aspect that has delayed the proclamation of the candidates, the official and solemn proclamation through a resolution, has been the many challenges filed with the Electoral Tribunal. Making an extraordinary effort, the three magistrates of the Tribunal have jointly discussed them and have definitely resolved all of the challenges, rejecting them. The corresponding notifications within the legal periods of time are all that is left to do regarding the challenges. Once these periods elapse, we will be ready to issue the resolution of proclamation.

[Reporter] In this Electoral Tribunal meeting a few minutes ago, approximately how many challenges did you discuss?

[Murgas] Around 80 challenges.

[Reporter] Does this mean that there is no challenge pending and that all of them have been solved?

[Murgas] All of them have been solved. The only ones pending refer to legislators.

[Reporter] What percentage of the challenges was accepted by the Electoral Tribunal?

[Murgas] None was accepted. All of them were rejected.

[Reporter] After the hard work done the Electoral Tribunal, including its magistrat s and all of its personnel who have done by dynamic and efficient work before, during, and after the 6 May elections, do you have any message for the country?

[Murgas] We think that all of our officials, as well as those at other institutions and those institutions and their directors that cooperated with the tribunal in the organization and implementation of the electoral process, have carried out their work admirably. The community has witnessed the way in which the elections were held on 6 May. I think that they have been elections of the highest order and with the greatest freedom for voters ever held in the country's history.

ARDITO BARLETTA MAKES STATEMENTS ON ELECTION

On Concialiatory Position

PA162050 Panama City Circuito RPC Television in Spanish 1730 GMT 16 May 84

[Statement by Nicolas Ardito Barletta, presidential candidate for the National Democratic Union, UNADE, of Panama, to members of the Democratic Indpendent Movement, MIDE, and other groups in Panama City on 15 May -- recorded]

[Text] I am very pleased to have had the opportunity to meet with you here. When Sammy [MIDE President Samuel Lewis Galindo] suggested this, I accepted immediately, because it is by dialogue and work with groups like those that you represent that we can begin, once the appropriate proclamation is made, to set up a government program that we will later implement. By this, I mean that our platform, which contains a variety of points of which all of you have become aware in the last few months, must be converted into a number of specific actions. It is necessary to establish priorities as to what we will do first and what must be done later.

It is our intention to appoint a number of working commissions in a variety of special interest areas in order to seek participation, not just from friendly groups that have identified with us in this campaign, as most of you have, but also, as I said on television last night, from other groups -- independent groups and even groups that have identified with other candidates -- because we realize that they also include valuable, talented Panamanians. In this way, we will be able to have the viewpoints of all Panamanians reflected in the program of activities that we wish to implement as a government.

We believe that it is not only advisable and intelligent to have most Panamanians participate in these actions, but that it is in fact necessary, particularly because we realize, as we said on television last night, that practically half of the voters do not support us. Yet they are also Panamanians and should participate in national activities. Although the main thrust of our government's activities must, of course, involve those who did support us, as well as the UNADE parties and independent movements such as you represent, we believe that we would enhance our capacity for action, increase participation and achieve the reconciliation that we are seeking, and that we would be promoting the preservation of peace and the solution of our problems if we broaden participation, particularly in view of the results of the elections.

This, then, is our position at this time. We are awaiting definitive results from the Electoral Tribunal. Although our campaign has been arduous and intensive, you can believe that we are still full of energy and ready to embark upon the next phase. [applause]

Acknowledges Close Vote

PA161355 Panama City Cadena Exitosa in Spanish 1147 GMT 16 May 84

[Telephone interview with Nicolas Ardito Barletta by Aris de Icaza on 16 May; place not given -- recorded]

[Text] [De Icaza] Listeners of Cadena Exitosa, we have been trying to establish contact with the man who has been democratically elected for the first time in 16 years.

Our people have been patiently waiting for an official report. Now we have, on a direct line, the first statement by Dr Nicolas Ardito Barletta, from coast to coast and from border to border. This is a message to all the people, a message of unity and concord, a message of well-being for the next 5 years.

Dr Barletta, allow me to congratulate you on behalf of all of Panama and our radio organization, which has been waiting for this statement. Welcome.

[Barletta] Thank you Aris for your kind words. This is truly a special moment, a very emotional moment of great patriotic feelings, of gratitude for all the Panamanians who worked with us in these elections and also for those who did not, because we want to be the president of all the Panamanians, especially because we realize that the victory was so narrow. This strengthens our decision, which was announced prior to the elections, to have a national reconciliation government that will bring out the best in every Panamanian at this moment of economic crisis, a government that will promote consensus to face the national goals and push the country forward.

For myself, this is a moment of such satisfaction, of personal humility, of awareness of the task ahead of us. It is also a moment of great faith in Panama and in all our fellow countrymen. This is a moment of gratitude for all the members of the National Democratic Union [UNADE] who have worked with us. I will dedicate my best efforts, as I did during the election campaign, to promoting national concord and unity, to saying that there are no winners and no losers here, that we have here a united Panama that will march forward with a fitting attitude, with respect for all sectors, with a dialogue with all sectors. By doing this we will be creating the environment we know the country needs to solve urgent economic and development problems.

I want to thank you very much for having given me this opportunity and for your cordial greeting. I share the joy and satisfaction with all the peoples. Let this announcement be accepted by all the parties so that we can go to work as the country deserves.

[De Icaza] Dr Barletta, you are a humble and noble president. You speak with your characteristic humility and that perhaps has been the most positive and dominant factor of your personality. When you speak of unity you do so without resentment and for the integration of all the Panamanians for the well-being of the country.

[Barletta] That is right. At this moment, I want to dedicate the best of myself to the country as I promsed during the campaign. I also want to make great efforts to bring out the best in all Panamanians, and to do so with respect, admiration, and love, because I have great faith in all our people and in all the sectors of Panama. I am sure that we will know how to solve the problems of today and to continue building the stable, independent, free, just, and happy Panama that we Panamanians have always known and that we know we will continue growing with our efforts.

[De Icaza] Dr Barletta, this is my last question, I know I am imposing. I know of emotions, and it is natural to be nervous, having this profound emotion of being the first citizen now, after 16 years, with this responsibility toward all the Panamanians. The last time you spoke at the main studio of Cadena Exitosa you spoke of a Christmas not in December but every day for the Panamanians. This statement was a source of much inspiration and weight and caused much admiration in Panama. To what were you referring, Dr Barletta?

[Barletta] That by working together and solving our problems, we can create the benefits that the Panamanian people want and deserve. There are two facts, Aris: We have to work together to arrive at this type of Christmas, but we can share the happiness and peace of a job accomplished, of concrete efforts, of houses built, of jobs created, of participation in national life.

This is the spirit of a people who have secured achievements with their works and efforts and are prepared to enjoy them and to share them in peace, fraternally.

[De Icaza] Thank you, Doctor, it has been a pleasure for Cadena Exitosa to be the first one to record your emotional statement, this very positive message that has been heard by thousands and thousands of listeners in the Republic on this unforgettable day for you and Panama, since your government will not be one of promises but of prompt accomplishments and joint work, as you have said. Congratulations from our radio organization.

[Barletta] Thank you.

PRD CALLS CELEBRATION OF ARDITO VICTORY

PA161526 Panama City Cadena Exitosa in Spanish 1438 GMT 16 May 84

[Statement by PRD candidate for legislator Elias Castillo, in the studio of Cadena Exitosa, Panama City -- live]

[Text] I thank Cadena Exitosa. I have been authorized by the Executive Committee of the Democratic Revolutionary Party [PRD] and the Electoral High Command to make a statement since it has been publicly reported today that Dr Nicolas Ardito Barletta has been elected president of Panama.

We call on all citizens, all party militants, and all members of the National Democratic Union to meet at Porras Square to express the enthusiasm and joy that prevails because of Dr Barletta's victory. So we call on all the citizens, voters, and sympathizers of Dr Barletta to go to Porras Square with their posters and banners to demonstrate their enthusiasm and their satisfaction over the triumph of the 6 May elections which has been announced today.

We already know that the virtual winner is Dr Nicolas Ardito Barletta who, as we said during the election campaign, is a young man who has the physical and professional capability to govern this country. We know that he and the government team he will form will lead the country on the path of progress and social justice, with the peace that is so much loved and appreciated by all the Panamanians, a peace that we must not lose. Peace is priceless. Peace is a guarantee for all the Panamanians, without distinction of class or creed.

So we must meet to demonstrate our joy and enthusiasm, since we are convinced of the triumph of Dr Barletta. So let's be there. There will be music and drinks. At the conclusion of an arduous and democratic election campaign, we are going there to seal the victory of democracy and of Dr Nicolas Ardito Barletta as the president of Panama.

ARIAS ASKS TRIBUNAL NOT TO NAME ARDITO WINNER

PA161558 Panama City ACAN in Spanish 1535 GMT 16 May 84

[Text] Panama City, 16 May (ACAN-EFE) -- Arnulfo Arias Madrid, presidential candidate of the Democratic Opposition Alliance, asked the Supreme Electoral Tribunal today to abstain from proclaiming Nicolas Ardito Barletta president until appeals for nullification of the tally sheets are resolved.

In a document signed by 11 attorneys and presented by an opposition source to ACAN-EFE, Arias Madrid, together with his running mates Carlos Rodriguez and Ricardo Arias Calderon, asked the three magistrates of the Supreme Electoral Tribunal to comply with the Electoral Law.

In his first reaction to the official announcement that officialist candidate Ardito Barletta had won the 6 May elections, Rodriguez used the word "fraud" to refer to that decision.

The candidate for first vice president for the Democratic Opposition Alliance told ACAN-EFE that his political group does not recognize Barletta's triumph and argued that the Supreme Electoral Tribunal "has overstepped the law."

It has been announced that the Supreme Electoral Tribunal will proclaim Ardito Barletta president in the next few minutes. The Electoral Tribunal announced this morning that Ardito Barletta had defeated Arias Madrid in the 6 May elections by 1,713 votes.

ADO SAYS SITUATION TENSE, POWER, PHONES CUT

PA161630 Panama City ACAN in Spanish 1600 GMT 16 May 84

[By Rafael Candanedo]

[Excerpts] Panama City, 16 May (ACAN-EFE) -- The Democratic Opposition Alliance [ADO] rejected the Supreme Electoral Tribunal's announcement of the victory of Ardito Barletta as president today and asked that it abstain from such a proclamation. The ADO complained that its telephone communications and electricity have been cut off at its central offices on Balboa Ave in this capital. In the headquarters of the Opposition Alliance, ACAN-EFE has confirmed, great tension prevails.

Large groups are gathering outside the Supreme Electoral Tribunal carrying posters of the parties that supported Ardito Barletta, while the police have intensifed vigilance and Defense Forces units are equipped with antiriot gear.

LEGISLATIVE CANDIDATE CLAIMS ELECTION FRAUD

PA161650 Panama City Radio Mundial in Spanish 1100 GMT 16 May 84

[From the "Alternative" commentary program: Statement by Miguel Antonio Bernal, candidate for legislator of Popular Action Party and "Alternative" commentator -- live, monitored in progress]

[Excerpts] ...It was not be chance that the results were announced at 0400. Please! Let's be serious. Nobody can say here that he or she was taken by surprise. It was not by chance that the total number of votes they claim Nicky Barletta -- the decent Nicky, as some in the democratic opposition say, the arch-decent Nicky, the basically decent Nicky -- won by 1,713. All this forms part of a program they had devised based on the power they have wielded illegally for 16 years and on a scientific study of the character and psychological behavior of the Panamanian masses.

So, today's commentary had been planned by them days, months, or years ahead. People will say: Did you see the slim margin by which he won? Look, after all, I think there was no fraud, because it can't be. Look, it was only 1,713 votes.

Besides, Dr Quintero [Cesar Quintero, president of the Electoral Tribunal] is such a serious man. He apparently got "A's" in mathematics when he was in grade school, and Murgas [Electoral Tribunal Magistrate Rolando Murgas], too. He got all "A's" in mathematics when he was in the institute. They know how to count.

We feel that the behavior of those who only yesterday or some weeks ago were urging our citizens and compatriots to assume a civic attitude and show their desire for a change is repugnant. Without exception, well-known and lesser known opposition leaders have adopted an ostrich-like attitude and turned their backs. We make no exceptions of any kind.

Dear listeners of "Alternative." At this stage in our life, we cannot believe that Panama is a country where miracles occur -- electoral miracles, like the one that occurred in San Felix, in Chiriqui Province, for example, where, according to the Electoral Tribunal's voter lists there were only 3,926 elections and yet 4,003 voted. In other words, 102 percent of the people voted. And what can one say about Canazas, in Veraguas Province? Anybody who is familiar with that town can perhaps explain better than we how, in a place like Canazas, 7,410 people voted when the voter lists indicate there were 6,144 electors there. In other words, 121 percent voted. Books without exception indicate that in places where over 90 percent of the population votes, something strange has happened, and that strange thing is called fraud.

Gentlemen, you will not be able to institutionalize your 16 years in power with this big fraud, with such an aberrant distortion of figures.

How can you explain, for instance, the fact that abstentions ranged from 20 to 29 percent in some areas and then suddenly dropped to 1, 2, or 3 percent in other areas we have mentioned, such as Santa Maria, Montijo, Santa Fe, San Francisco, Parita, and Las Minas? They perpetrated a fraud there that was much larger than one could have imagined.

There was not only coercion of public employees, pre-stacked tally sheets, vote rigging, distribution of ballots before, during, and after the balloting, and manipulation of the poll watchers appointed by the Electoral Tribunal, but direct meddling by the National Defense Force in the electoral process. I felt ashamed on arriving at the Electoral Tribunal yesterday. There were enough troops there to give one apiece to half of mankind. They had apparently brought in all members of the Macho de Monte [National Defense Force unit], Siete Montes, Osos de Monte, Hierba de Monte [figurative names of National Defense Force units] to make the people swallow the story of the victory.

Now, they want all Panamanians to go out into the streets and sing: We have a president. This is a tragedy. May God grant that it will not reach the extremes that have been reached in our brotherly Central American countries, because the farce is over. There is no longer room for any more farces. The people here can't put up with any more farces.

Meanwhile, go out into the streets, walk two or three blocks, get on a bus if you have a chance, walk through Central Avenue, go to San Miguelito and talk to the people, so you can notice the feeling that is building up in this country, so you can see the explosive situation that is building up in this country. It is not that we want it to explode. What we are telling you, gentlemen, is: He who sows the wind shall reap the whirlwind.

We are ashamed at what is happening in this country. We tell our people, our friends, our acquaintances, our family, our listeners: Gentlemen, let us not give up; because they are going down while the people are going up. It is just a question of waiting for the tempest to end.

WORKERS COUNCIL REJECTS STRIKES OVER ELECTION

PA162345 Panama City Domestic Service in Spanish 2045 GMT 16 May 84

[Communique released by the Panamanian National Council of Organized Workers, CONATO, in Panama City on 16 May]

[Text] This is a communique released by CONATO to inform the organized labor class of its stance on calls for a strike that have been or might be issued by political organizations whose objectives are not of interest to the working class.

The CONATO reiterates its determination not to participate in any action that is undertaken with political objectives, and urges the organized workers not to participate in such actions.

As for the political process that has just been completed, the CONATO has previously declared its position, which is that the working class should support the people's candidates. The elections having been completed, it must be understood that the working class' commitment to participation in the elections has ended, in accordance with instructions announced, or that might be announced, by the electoral authorities.

The CONATO has observed a public split as to who won the largest number of votes in the elections. The CONATO warns that the organized working class cannot be dragged into that struggle because the workers' interests are not represented therein. For this reason, the CONATO reiterates its call that the workers not participate in strikes and that they abide by the decisions made by competent authorities.

[Dated] Panama City, 16 May 1984.

[Signed] CONATO Coordinator Luis Vivar

PRESIDENTIAL ELECTION VOTER PATTERNS ANALYZED

Paper: Communists Disdained

PA151627 Panama City STAR AND HERALD in English 15 May 84 p 1

[From the "Local Highlights" column]

[Text] Although the National Electoral Tribunal has not yet proclaimed the winner of the May 6 presidential elections, figures released by the National Tabulation Board yesterday for 39 of the 40 circuits brought to the fore that:

-- The Authentic Panamenist Party headed by Arnulfo Arias is unquestionably the nation's largest single party, with the Democratic Revolutionary Party (PRD) a close second, followed far behind by Christian Democrats and Labor Party (PALA). The other 10 parties were simply outrun.

-- Panamanian voters showed their disdain for the Communist Parties. To be eliminated as such for failing to acquire at least three percent of the votes cast as required by law are: People's Party (Partido de Pueblo), Workers Socialist Party, and the Revolutionary Workers Party.

-- The upcoming 67-member Legislative Assembly will be formed by two-thirds of the Barletta coalition, and one-third of the Arias coalition.

Commentator: Left Rejected

PA161534 Panama City Radio Continente in Spanish 1337 GMT 16 May 84

["The Word" program with Mayin Correa]

[Excerpt] The people here have rejected the leftists, the pluralists, the confused ones, and more specifically the communists, who will not be able to have an official party, even though they were given the chance to do this, because they did not obtain the percentage needed to maintain their status as a political party. This has been a victory for us democrats.

Under these conditions, the government of Dr Ardito Barletta, whether composed only of the group of parties that comprise the Democratic Union or a unity government, will have to take into consideration, in order to rule, that this country will demand a clear democracy. The confused government, the so-called Third World administration -- confused when it suits it -- is finished. Things here will be said clearly. All the infiltrations that have taken place in the last 16 years and the opportunity we gave the communists in the past 16 years to organize their political party and participate as if they were in the majority is over. They represent a superminority in this country, and they will have to take their place as such. True democracy will prevail here. They can coexist with us, in accordance with the rules of the game of democracy, but they will no longer be able to impose on us the rules of the game which they tried to impose on us during the past 16 years, such as the communist educational reform and the reforms that placed the country's economy in the hands of the state. None of those were rules of the game.

The rules of the game are those which call for free enterprise, democracy, support for democratic countries like Costa Rica rather than communist countries like Nicaragua and Cuba, and support for those countries which are clearly on the side of democracy. We will fight for this because we are in the majority now, with votes, not merely because I say so. The figures are there to prove it.

Now there will be a country and a government with the face of a true democracy, because the people have said it at the polls. The votes are honest. Do not let the opposition say that the votes were tampered with, because they were present at the voting places, all of them, vigilant, present in all the electoral organizations. They established jointly with the government the rules of the game for the elections. So our conclusion is that, regardless of mistakes made during the elections -- which can be appealed and resolved -- the final truth, the great truth is that communism was rejected in this country. That is the great truth that came out of the Panamanian elections.

FOREIGN MINISTERS COMMENT ON PANAMA MEETING

Ortega on Contadora

PA160140 Panama City Domestic Service in Spanish 2005 GMT 15 May 84

[Press conference given by Panamanian Foreign Minister Oyden Ortega to unidentified journalists at the Panama Hilton Hotel in Panama City on 15 May -- recorded, broadcast in progress]

[Excerpts] [Ortega] ...upon the decision of the two countries, Nicaragua and Costa Rica, Contadora is acting as the mediator in what is a border conflict and a true crisis between the two governments. This was discussed at the last foreign ministers' joint meeting. Luckily, it was agreed then that the deputy foreign ministers, at the technical group level, would meet with these countries' foreign ministers. Obviously, our goal was for Contadora, after hearing the foreign ministers' report, to take measures to ensure that the problem on the Costa Rican-Nicaraguan border could be solved within the framework of the negotiations that we are carrying out.

The deputy foreign ministers meeting has two goals: First, to systematize and organize all of the suggestions presented on 30 April by the Contadora Group working commissions. This would allow the foreign ministers to present all of these systematized suggestions in upcoming weeks, and to produce a much more coherent document for the Central American presidents and foreign ministers for use in preparing a draft treaty.

[Question] It has been said that Contadora cannot help those who do not want to be helped. Do you believe that the two governments are willing to accept Contadora's mediation?

[Ortega] I think that if we take into consideration the fact that there is a pledge to negotiate, all of the governments' actions should be directed toward this goal. If the differences should become greater rather than being resolved, negotiations would not be possible. Hence, Contadora is acting as a mediator, at the request of both countries and because its responsibility is to do just that.

[Question] For those who have followed the Contadora Group's meetings and their developments closely, it is evident that Contadora has achieved some progress in its meetings and negotiations in Panama, even though they cannot be termed giant steps. Nevertheless, attacks, obstacles, and boycotts frequently arise against the Contadora negotiating process -- particularly today, according to information published by the newspaper LA PRENSA, which charges that the Christian Democrats have fiercely attacked Contadora. What, in your opinion, is the cause of this continuous onslaught of attacks on and obstacles to the Contadora Group's negotiating process ?

[Ortega] This question allows me, as a member of the Contadora Group and as the foreign minister of Panama, to make some observations, some clarifications. In the first place, Contadora has received effective worldwide support, and the most important thing for Contadora is that the countries want to negotiate.

The war situation that prevails in the area is of great concern. The only answer to it is the definite participation of the Central American governments in a negotiating process, with the cooperation of the Cuban and U.S. Governments. It has also been said that Panama, right now, could detract from Contadora's image. What we can give, and have already given, is our example.

Observers who came for our elections were able to witness a civic event, and they did not see a single member of the Defense Forces of the Republic of Panama using a rifle.

No one was forced to vote; the people simply asserted their will to vote that day. We must wait for the results from an Electoral Tribunal that, based on the Constitution, is an autonomous organization; and we must have confidence in that tribunal's ruling, because this will not only guarantee the country's democratic stability but also uphold our belief that electoral processes are necessary in this part of the world.

[Question] If Contadora's power is invigorated by the opportunity to act as a mediator, who would Contadora's enemies be?

[Ortega] Within this negotiation process, Contadora understands that each country will have to make some concessions on some of its viewpoints, in order to serve the region's best interests. Anyone who were to oppose a negotiated political solution to the conflict, at any given moment, would have to be denounced before the world. Right now, Contadora cannot point to any country or group of countries that may be affecting the negotiating process with an intransigent and irresponsible attitude because we have obtained the signing of several key documents for Contadora so far.

[Question] Mr Foreign Minister, don't you think that Panama's international image of 6 May might now be distored by the National Vote Counting Board's delay in proclaiming a president?

[Ortega] Definitely, yes. Panama's electoral laws are quite clear. The Electoral Code, itself, is a product of the political parties' consensus. The electoral law was not imposed upon the people; it entailed a broad discussion even before it was delivered to the legislative council. It includes mechanisms by which to challenge the elections. However, these mechanisms were misinterpreted and the time has arrived for the Electoral Tribunal to decide the result of these elections. Obviously, Contadora is also interested in these results; the people and the world are interested in the results, because Panama's credibility is at stake. Similarly, the credibility of all serious and honest electoral processes, like the one we had in Panama, is at stake. Therefore, it is important that the Electoral Tribunal's ruling be issued as soon as possible; it is also important that this ruling be respected, no matter who wins.

[Question] Following this line of thought, certain political sectors have been trying to convince the people that it is necessary for Panama to align itself with the United States, in terms of its policy for Central America, but this contradicts Contadora's goal. How would you describe Panama's current relations with the United States and how have these relations evolved since the Torrijos-Carter treaties were signed? Is the United States trying to establish a similar enclave in another part of the area?

[Ortega] Panama is currently complying with its part of the treaties. We are trying to make the treaties' binational mechanisms work smoothly. We have achieved a good deal in this regard, which has allowed us to maintain smooth relations, from the diplomatic viewpoint. We believe that Panama cannot align itself with any international power bloc. To ensure credibility, we require an independent international policy; this policy must puruse an objective viewpoint; and that is what Contadora needs right now.

[Question] Mr Minister, were you able during your meetings with Mexican Deputy Foreign Secretary Ricardo Valero to determine the main reason for President Miguel de la Madrid's visit to Washington? Will Contadora be included in their talks? Is there a possibility of a meeting between President Reagan and the Contadora Group?

[Ortega] President de la Madrid's visit falls within the framework of Contadora's final negotiations, because we want the United States to cooperate in that negotiation. From this viewpoint, his visit is important for Contadora.

D'Escoto on Agreement

PA162316 Managua Radio Sandino Network in Spanish 1200 GMT 16 May 84

["Exclusive" telephone interview with Nicaraguan Foreign Minister Miguel D'Escoto Brockman by an unidentified reporter from Panama City, Panama, on 15 May]

[Excerpts] [D'Escoto] We have agreed to create an observation commission to see what measures can be taken to ease the tension between Nicaragua and Costa Rica. As you know, our relations have been impaired by the fact that Central Intelligence Agency mercenaries are using Costa Rican territory as a base for aggression against Nicaragua.

We feel that the agreement reached this afternoon is one of the most important steps taken within the Contadora negotiating process since the Contadora Group began its efforts, its activities to promote peace in Central America. We also believe that what we have achieved today is very important for improving relations between Costa Rica and Nicaragua, because it is evidence that, despite the great U.S. potential for pressure, the ties among the Central American countries, like Costa Rica and Nicaragua, are very deep.

[Reporter] Mr Foreign Minister, how does the Nicaraguan Government view this great step taken by Costa Rica and Nicaragua through the Contadora Group?

[D'Escoto] I believe that it is truly a very important, very significant step. Now it only remains to be seen whether the agreements will really be implemented, because they could very well be the beginning of a serious process of detente in the two countries' relations, which have become tense as a result of the use of Costa Rican territory by the CIA mercenaries as a base for aggression against Nicaragua.

Obviously, the important thing is the fact that for this easing of tension to be achieved, it is necessary to eradicate the cause of tension and, as we have said, the cause of the tension between Costa Rica and Nicaragua is the use of Costa Rican territory by the CIA to attack Nicaragua.

EL SALVADOR

DUARTE, CASTILLO CLARAMOUNT RECEIVE CREDENTIALS

PA170342 Panama City ACAN in Spanish 0123 GMT 17 May 84

[Text] San Salvador, 16 May (ACAN-EFE) -- This afternoon Salvadoran President-elect Jose Napoleon Duarte, of the Christian Democratic Party, received the document that authorizes him to govern the country for the next 5 years. The solemn ceremony, which was preceded by a brief performance by El Salvador's Symphony Orchestra, was held at San Salvador's National Theater.

The Central Electoral Tribunal handed to Duarte and Vice President-elect Rodolfo Castillo Claramount two documents dated 15 May authorizing them to govern the country until 1 June 1989.

After receiving the documents, the election winners went to the Metropolitan Cathedral, where they prayed over Msgr Oscar Arnulfo Romero's grave. Romero was the archbishop of San Salvador until he was murdered in 1980.

PDC SOURCES PREDICT FUTURE CABINET MEMBERS

PA162042 San Salvador EL MUNDO in Spanish 15 May 84 p 1

[Text] Reliable Christian Democratic Party [PDC] sources told EL MUNDO today that Jose Napoleon Duarte's cabinet is practically completed, as far as ministers and other positions in the government team are concerned. They added that only decisions on the deputy ministers are pending, and that these will be made following negotiations within the context of the social pact.

However, Duarte has said that the "social pact" does not necessarily imply that government offices need be distributed. He said that it implies, first, that the basic platform of the future government team must be fulfilled in a way that responds to the interests of the social body at large, and, second, that the government must take the country out of the crisis in which it is immersed.

According to reports obtained by EL MUNDO, the following people will be members of the new government team:

Minister of Foreign Affairs	Fidel Chavez Mena
Minister of Defense and Public Security	General Eugenio Vides Casanova
Minister of Economy	Alberto Benitez Bonilla
Minister of Interior	Juan Ricardo Ramirez Rauda
Minister of Finance	Luis Eduardo Melendez Flores
Minister of Planning	Atilio Vieytez
Minister of Public Works	Jose Ovidio Hernandez Delgado
Minister of Agriculture and Livestock	Joaquin Alonso Guevara Moran
Minister of Justice	Mario Solano
Minister of Public Health and Social Welfare	Jorge Bustamante
Minister of Presidency	Jose Antonio Morales Erlich
Minister of Labor	Juan Cipontes
Minister of Education	David Escobar Galindo
Minister of Foriegn Trade	Julio Rivas Gallont
Attorney General	Luis Dominguez Parada
Comptroller General	Dina Castro de Callejas
Private Secretary to the Presidency	Rodolfo Antonio Castillo Claramount
Private Secretary	Ernesto Belloso Tunez
Secretary of Information	Gerardo Lechevalier Contreras
President of the Central Reserve Bank	Rafael Caceres Vialec
Chief Justice of the Supreme Court	Pablo Mauricio Alvergue

DUARTE TO VISIT THREE C.A. COUNTRIES, U.S.

PA162333 San Salvador Radio Cadena YSU in Spanish 1200 GMT 16 May 84

[Excerpt] It was learned today that President-elect Jose Napoleon Duarte will visit three Central American countries and will arrive in Washington on Saturday. On Monday, he will be received at the White House by U.S. President Ronald Reagan.

D'AUBUISSON ON CCE DECISION, ARENA OPPOSITION

PA162128 Paris AFP in Spanish 2056 GMT 16 May 84

[Text] San Salvador, 16 May (AFP) -- Former presidential candidate Roberto D'Aubuisson reiterated his refusal today to recognize Jose Napoleon Duarte as the Salvadoran president-elect and indicated that the 6 May elections had been "bought."

In a meeting with 800 members of the Nationalist Republican Alliance (ARENA) in a San Salvador hotel, D'Aubuisson issued a report on the results of his efforts at the Central Electoral Council (CCE).

"It seems that the CCE had previous orders to reject our appeals," he said, while declaring that the president-elect "does not represent all Salvadorans."

D'Aubuisson urged the ARENA rank and file to being a struggle "right now" as an opposition party, in order to strengthen the cadres for the elections of deputies and mayors that will be held in March 1985.

He also insisted that ARENA had won 52 percent of the votes in the elections, but that, "with instructions from abroad," the authorities had "snatched victory away from us."

D'Aubuisson also asked the ARENA businessmen to guarantee the survival of the party "by remaining in the country" and "generating wealth, industrial production, and creating jobs."

FMLN SAYS ARMY WITHDRAWING IN SAN SALVADOR

PA140441 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 1. May 84

[Text] The enemy Army has started to withdraw from its positions in San Salvador Department. Attention, Salvadoran people, attention: On 8 May, the fascist high command decided to withdraw its forces from the town of El Paisnal, located in northern San Salvador Department, fearing they would be attacked again, fearing they would suffer more casualties and lose more weapons. The high command has withdrawn and abandoned its positions in the town of El Paisnal.

The positions in the town of El Paisnal are the first military positions to be abandoned by the government army due to the constant and overwhelming attacks by our guerrilla forces. On 5 May, guerrilla and militia units attacked and took over the enemy positions in the town of El Paisnal, recovering five rifles.

The high command has started its withdrawal in San Salvador Department, a few kilometers from the capital. The high command has started to withdraw the outlying defenses of its strategic rearguard.

We are the people up in arms! We are the (?people's) army! We guarantee the people's victories and achievements!

HONDURAN ARMY SAID VIOLATING TERRITORY

Venceremos on 'Aggressions'

PA122304 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 11 May 84

[Text] Attention: Honduran Army forces have violated Salvadoran territory. On 11 May, a contingent of soldiers entered our territory through the Sabanetas sector in northern Morazan Department. This is the information received by Radio Venceremos.

Today, 11 May, a contingent of Honduran soldiers led by a Honduran Army colonel entered Salvadoran territory through the Sabanetas border post. The Honduran soldiers, who arrived here in a vehicle, set up a check post in Salvadoran territory, flagrantly violating our sovereignty.

As our listeners surely remember, Radio Venceremos has been reporting on a series of aggressions that members of the Honduran Army, concentrated in the border area of San Antonio and Colomoncagua, have been committing against Salvadoran refugee camps in Honduras.

The Honduran troops who have surrounded and isolated the refugee camps since 22 April are led by Colonel Torres who, with Colonel Abraham Garcia Turcios, is in charge of carrying out the reprehensible relocation of our fellow countrymen who are in refugee camps in Honduras.

So far, as a result of this concentration of Honduran troops around the San Antonio and Colomoncagua refugee camps, five Salvadorans have been murdered and two others are missing.

The violation of the national territory and the setting up of a military checkpost with Honduran troops in Salvadoran territory near Sabanetas is another act of aggression against the Salvadoran people.

Farabundo Marti on Violations

PA150418 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0100 GMT 15 May 84

[Text] Since 1980 the Honduran Army has been playing a fateful role in the U.S. Government's plans of aggression in the Central American region. Last week we denounced the provoking attitude of the Honduran puppet army.

Honduran troops have entered our territory in Morazan Department through Sabanetas, and in the eastern Department of Chalatenango they have opened fire on the town of Ojos de Agua. The Honduran Army is increasing its aggressive role against our people.

GUATEMALA

MEJIA RECOGNIZES DUARTE VICTORY IN EL SALVADOR

PA161608 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 16 May 84

[Text] The Guatemalan Government today recognized the victory of Christian Democratic candidate Jose Napoleon Duarte in the recent Salvadoran presidential elections, after the Central Electoral Council ascribed to him the majority of the votes and with this, the right to be that county's next leader. In his message to Duarte, sent through the Salvadoran Foreign Ministry, Guatemalan Head of State General Oscar Mejia Victores told him:

I am honored to address Your Excellency to express to you, on behalf of the Guatemalan Government and people and in my own name, our sincere congratulations for having been elected the constitutional president of that fraternal country. We beg you to extend these congratulations to the noble Salvadoran people for their exemplary conduct in appearing at the electoral polls in an orderly and peaceful manner.

The message adds: We are completely confident that Your Excellency, with your acknowledged capacity and the guidance of the Supreme Maker, will guide your country along the path of peace and progress. Your Excellency can be sure of our firm intention to continue working arduously to strengthen the ties of friendship and cooperation that happily exist (?between) our countries and for the good of Central America.

President-elect Duarte is expected to visit Guatemala either tomorrow or the day after. During his visit he will hold talks with Gen Mejia Victores.

NEW PROTEST NOTE FROM MEXICO CRITICIZED

PA162140 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 16 May 84

[Station commentary]

[Text] The Mexican Government has sent a new protest note to Guatemala in which it demands a full investigation of the killing of six people in a refugee camp for Guatemalans that is located in Mexican territory.

The note, which is unacceptable to Guatemala because it asks that the Guatemalan Government investigate an incident that took place on foreign territory, shows how far the deterioration in international ethics and the rise in political demagoguery have gone. It is only because Mexico has a pseudo-socialist government with close links to totalitarian states that it is left alone by the international left, despite its unforgivable sin of having a single-party regime in which changes of president have been decided in a monarchical fashion for decades, in a negation of democracy.

However, despite its domestic political structure, the monstrous corruption of its politicians, and its one-party dictatorship, Mexico -- like Panama, where an electoral fraud that cannot be concealed is taking place -- serves as a leader of international actions in areas like Central America by taking part in groups like the Contadora Group. In view of these actions, and in the face of the unforgivable murder of six Guatemalan fellow countrymen, the Guatemalan Government must maintain, as it recently did, an attitude of total rejection of Mexico's absurd accusations, which only demonstrate that country's attempt to avoid assuming any sort of responsibility for a terrorist action for which, to be frank, both the perpetrators and those responsible for the security of the refugees must share the guilt.

The new protest note sent to the Guatemalan Government was issued by the Mexican Foreign Relations Secretariat. This is the report:

The Mexican Foreign Affairs Secretariat's note stresses that the Guatemalan Government needs to conduct a thorough investigation to clearly identify those responsible for the killings, so that they may be punished in accordance with the law. It was prompted by Guatemala's reply to a previous protest note sent by the Mexican Government, which stated that the killings might have been carried out by leftist rebels who, the Guatemalan Government maintains, use the camps as shelters and recruitment centers.

The new protest note from the Mexican Government points out that there has been no evidence indicating that the perpetrators of the crimes are members of subversive factions, as the Guatemalan Government has maintained. It also says that the Mexican authorities' investigations have confirmed that the perpetrators of the crime came from Guatemalan territory and returned there after carrying out the crime. In the note, the Mexican Government once again demands that the Guatemalan Government take the necessary actions to prevent border incidents originating in Guatemala.

OFFICIAL COMMENTS ON ECONOMIC SITUATION

PA161434 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 15 May 84

[Text] Manuel de Jesus Giron Tanchez, secretary of the military government junta, has categorically denied that the country is facing a serious economic crisis, as some news media have reported. Giron Tanchez said the report is alarmist. He did admit, however, that the status of the country is not prosperous, but added that it is not that bad. The situation in Guatemala is not as bad as in other Latin American countries, he said.

He also said that public employees are being paid on time, and the country is paying its foreign debt according to terms agreed upon.

Further on, Giron Tanchez tried to explain that no country can go bankrupt; what can happen is that it cannot meet its obligations. However, we have not yet reached that point, he assured.

Finally, he said that Guatemala will be receiving aid according to agreements it has signed and new ones that have been negotiated.

MUNICIPALITIES MUST COOPERATE IN ELECTIONS

PA162306 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 16 May 84

[Text] The national government today issued agreement No 334-84, stating that all of the country's municipalities and state offices are required to give the Supreme Electoral Tribunal [TSE] and its authorities the cooperation requested of them in developing the electoral process that is currently under way. In this connection, the decree states, they must place themselves at the disposal of the TSE and of the authorities charged by law with executing and supervising the electoral process, scheduled for 1 July.

The agreement also establishes that all personnal in the various municipalities must carry out the functions and fulfill the tasks assigned them by the electoral authorities. To this end, the mayors must provide the necessary facilities and grant the necessary leaves.

The agreement also indicates that departmental and municipal electoral boards may establish their headquarters in municipal buildings and may use their furniture and equipment to carry out their functions.

Finally, the document states that the mayors must personally attend meetings held by the departmental and municipal electoral boards whenever the electoral authorities request their presence.

This agreement will go into effect the day after its publication in the official newspaper, it has been learned.

ARMY SPOKESMAN REPORTS CLASH WITH SUBVERSIVES

PA162251 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 16 May 84

[Text] Lieutenant Colonel Edgar Djalma Dominquez, Army public relations chief, said this afternoon that in a confrontation between Army units and subversive groups in San Miguel Chicaj, Baja Verapaz Department, "Commander Jaime," head of the "Ethiopia" column, was killed.

Lt Col Djalma reported that "Chavelo," a subversive, was also killed. He said that the Army sustained no casualties.

The public relations chief said that the Army also recovered light weapons and a 95-lb claymore mine. He commented to a reporter that a 5-lb mine alone could destroy a truck, so the effects of a 95-pound mine can be imagined.

Finally, Lt Col Djalma said that perhaps 10 of the country's approximately 1 million civil defense patrolmen have caused some problems. Asked about the possibility of dissolving the civil defense patrols before 1 July, the Army spokesman said that idea is quite naive, since they were organized to support the national Army.

HONDURAS

GOVERNMENT REJECTS IMF DEVALUATION DEMAND

WA171300 Rome IPS in English 12 May 84

[By Juan Ramon Duran]

[Text] Tegucigalpa, May 12 (IPS) -- Honduras will not devalue its currency, as the International Monetary Fund is demanding in return for a new loan, Economy Minister Camilo Rivera announced this week. The authorities would seek other ways, "less damaging to the people," to bring down the budget deficit, he said.

Honduras is currently negotiating a new credit with the IMF, following the end of a $100 million arrangement last December. When its in place, Honduras plans to renegotiate its $2 billion foreign debt with commercial banks.

For the past two years, the country has been sufferring its worst-ever economic crisis, which has not only swollen the debt, but also led to numerous bankruptcies, and consequent layoffs. About half the 1.4 million strong workforce is either unemployed or underemployed.

Central Bank officials had denied that the IMF was demanding a devaluation of the lempira, which stands officially at two to the U.S. dollar but sells at 2.5 to the dollar on the black market.

Rivera, however, revealed this week that his team was under pressure to devalue, but that "the government is not prepared to devalue the currency."

"This leaves us with no option but to study the budget question," he added. He hinted at cuts in public sector staffing and a freeze on state employees' salaries, a reduction in imports, a halt to capital spending, and new taxes.

Meanwhile, Finance Minister Arturo Corleto, in a spirited rebuttal of a newspaper editorial, this week revealed new details of the budget deficit, which he said totalled $340.6 million, of which $151.3 million included capital investments, he said.

The government was hoping to bring the deficit down to manageable levels, he said. Through $37.5 million in public spending cuts, a $22.5 million loan from the U.S. Agency for International Development (AID), and by raising another $28.5 million from unspecified sources.

The government is widely expected to be considering new taxes as a way of raising some of this money, but such a move would be bound to bring problems. The trade unions have warned President Roberto Suazo Cordova they would strongly oppose any tax increase.

BRIEFS

AMBASSADOR TO UNITED NATIONS -- The Honduran Foreign Secretary has sworn in Mario Maldonado Munoz as new Honduran ambassador to the United Nations and Geneva. Maldonado replaces Ivan Romero, who has been appointed ambassador to Spain. [Summary] [Tegucigalpa LA TRIBUNA in Spanish 11 May 84 p 17 PA]

NICARAGUA

TOMAS BORGE DISCUSSES U.S. CHARGES, ELECTIONS

PA160406 Managua PATRIA LIBRE in Spanish Mar-Apr 84 pp 39-47

[Interview with Interior Minister Tomas Borge by Freddy Balzan -- date and place not given]

[Excerpts] [Balzan] What is your opinion of the U.S. leaders' charges that Nicaragua exports revolution, that it supplies weapons to guerrillas, and that it is a satellite of Cuba and the USSR, etc?

[Borge] A look at history shows us that these are the same people who in the past accused Augusto Cesar Sandino of being "a satellite for Mexican bolshevism" for fighting in defense of national sovereignty against U.S. occupation.

They say that we export revolution! We export coffee, cotton, and meat, but we also export our example of dignity and patriotism, and this must not be blocked. How could we export a revolution?

The struggle of the Central American peoples is rooted in the U.S. expansionist policy throughout history. This policy has resulted in war, hunger, and the exploration of workers and peasants, and in the enrichment of the exploitative minority. This is why the Central American peoples fight!

We have been charged with supplying weapons to the Salvadoran guerrillas when, in fact, their main source of weapons is the Salvadoran Army, which is supplied by the U.S. Government.

As for the charge that we are a satellite of Cuba and the USSR, we make our own decisions. This is easy to see in our international nonaligned policy, or in the range of our relations with nations from Europe, Asia, Africa, and the American Continent. We have economic relations with both capitalist and socialist nations. We are very zealous in defending our independence and sovereignty and do not accept conditions of any kind. Hence, we have relations with Cuba and the USSR, and many other countries, but we are no one's satellites.

This is why the U.S. Government has had to resort to a campaign of lies against Nicaragua, intended to discredit our revolution. However, we would rather spread 10 truths in a single language than spread a lie in 10 languages, as they do.

Only War Could Stop Elections

[Balzan] You have said that Nicaragua will hold elections to institutionalize the revolution, and not to please the United States. Do you think you can carry out the process if the CIA-backed groups escalate their actions?

[Borge] The fact that the U.S. Administration is going to continue its criminal and senseless aggressive policy has been made obvious with the recent attacks on the Potosi Ferry, on the San Juan del Sur fuel tanks and on a patrol boat in the Fonseca Gulf, carried out by ultramodern launches and helicopters that were given to the counterrevolutionary groups by the CIA; by the acts of sabotage against propane gas trucks; the attack on Las Minitas, Chinandega; and the mining of the ports of El Bluff and Corinto, where the Panamanian vessle Los Caribes was seriously damaged. However, only a large-scale war or a direct invasion by the United States would stop the elections.

U.S. Plot Against Nicaragua

[Balzan] There is a national and international campaign against the Nicaraguan electoral process right now. What are the objectives of this campaign? What should the people's attitude be during this phase of the revolution?

[Borge] There certainly is a national and international campaign against the Nicaraguan electoral process, which is scheduled to take place on 4 November. This is not surprising, as it is part of imperialism's overall plan to destabilize and destroy our revolution at any cost. Since it knows that its pawns have no chance of winning the elections, and since it realizes that they will be defeated, it has decided on a strategy of questioning the legitimacy of the elections, provoking absentionism and confusion.

Naturally, the campaign is being orchestrated by the U.S. Government. Strategically, they believe that participating in the elections would be inadvisable, as it would demonstrate the ridiculous lack of strength of the two-bit political parties, which, as we said a few days ago, are condemned to death due their lack of popular support, and are historically speaking, in menopause. As an alternative, they recommend abstention from participation under any pretext. What a terrible dilemma! Here it is: If they participate in the elections, they will reveal what they really are, insignificant political groups. If they don't participate, they will disappear from the political scene, and will only live in thepoor imagination of those who, from Miami and other places, dream of the return of the murders and of those who stole the country's treasury. They shall not return.

We Hope Future U.S. Governments Will Be More Sensible

[Balzan] We know that Nicaragua defends not only its revolution and the sacred principle of self-determination, but its sovereignty and the dignity of all Latin American peoples as well. Based on this, what is your opinion of the Contadora Group and of the other countries on this continent, vis a vis the United States?

[Borge] The Contadora Group has played a prominent role in the search for peace in Central America. In this respect, Nicaragua has been the only country that has shown real willingness to negotiate by submitting proposals for peace and nonaggression treaties, and by recommending specific steps in regard to the arms race, military advisers, and foreign bases. None of these initiatives has been considered by the other countries in the region.

The majority of the Latin American countries have shown solidarity with Central America, particularly with Nicaragua, in view of the U.S. attacks. We hope that these countries will continue this policy and struggle to preserve peace in Central America, which also means peace on the continent and in the world. Contador is a path to negotiations, an option for peace. I believe, however, that it would be unrealistic to expect miracles. There are a few contradictions, and some of them involve antagonisms. The United States is using its great influence to exert pressure in all directions, with the intention of eliminating the Contadora Group or turning it into an instrument for its sinister objective.

Peace in Central America Means Peace for the Continent

[Balzan] What are the prospects for Nicaragua and its revolution, taking into account the fact that the U.S. Government has turned Honduras into a gigantic base for military attacks against the revolutionary process, and that preparations are under way for the "Big Pine III" maneuvers?

[Borge] We believe that we will have to face our enemies' attacks for a long time, particularly attacks from the counterrevolutionary groups that are receiving financial aid from the CIA and operating freely in Honduras, occupying Honduran territory, from where they attack our country. The new maneuvers are merely an escalation of actions to support future operations that the counterrevolutionary groups and imperialism will unleash against our revolution. There is no doubt about this. We have had previous experience with the earlier "Big Pine" maneuvers, which are growing larger each time.

We are aware that there will be a counterrevolution as long as imperialism exists, and that as long as both exist, we will be subject to destabilizing activities, for they refuse to admit that they have lost what they consider to be their backyard. Nevertheless, we are hopeful and expect a more sensible attitude from future U.S. Governments.

Despite all this, we will continue to advance with firm and confident steps. We will institutionalize our revolution, and we will continue to build our future.

We Must Continue To Strengthen the Revolution

[Balzan] As we commemorate the 50th anniversary of the murder of Augusto Cesar Sandino, the general of free men, and the 5th anniversary of the Sandinist people's revolution, what can be expected from U.S. imperialism?

[Borge] With the current Reagan administration, it would be better to ask ourselves what not to expect. We trust that our struggle for peace will continue to receive support from all the peoples and governments who earnestly want peace for Central America and the world, and from peoples and governments who have faith in and love our revolution.

What can we do? We must continue to strengthen our revolution, while at the same time we must be prepared with our rifles to confront attacks; simultaneously, we must also continue to hold out the olive branch, the symbol of peace, with optimism. Although this branch is almost dry, it is a common goal, and it represents hope and commitment.

COMMUNIST PARTY, MAP PRESENT LEGAL STATUS PAPERS

PA162252 Managua Radio Sandino in Spanish 1830 GMT 16 May 84

[Text] The National Council of Political Parties [CNPP] today received the documents on the principles and statutes of the Communist Party and the People Action Movement, MAP.

The documents, which were received by CNPP President Hugo Mejia, Reinaldo Payan, and Jose Luis Medina, include the two organizations' general principles, their statutes, administrative structures, and assets. Companero Hugo Mejia said that the legal status of MAP is now being processed.

CSE PRESIDENT AFFIRMS ELECTIONS TO BE HONEST

PA161414 Managua Radio Noticias in Spanish 1200 GMT 15 May 84

[Text] Mariano Fiallos Oyanguren, president of the Supreme Electoral Council, CSE, has promised to be impartial during the vote counting process determining who will govern Nicaragua after the upcoming elections.

Mariano Fiallos Oyanguren participated last night in the "Political Debates" program broadcast on Radio Noticias. He said: Due to my Sandinist ethics, I guarantee that the elections will be honest.

A listener called and asked Dr Fiallos how he could be impartial if he is a member of the FSLN. Fiallos said: I will be impartial.

The "Political Debates" program, with leaders of the Patriotic Front of the Revolution, mainly discussed the elections' credibility, preparations, and the highly controversial electoral calendar prepared by the CSE.

The station's listeners participated enthusiastically in last night's political debates. Here is part of last night's program:

[Begin recording] [Marenco] Good evening, my name is Gladys Marenco, of the Altargracia neighborhood. I have a question for Dr Mariano Fiallos: What will the CSE do to make the people believe in the elections, since it is being said that the FSLN has already won? What measures will be adopted so the CDS [Sandinist Defense Committees] do not exert pressure on the people and allow a peaceful electoral process?

[Fiallos] I reply with pleasure to our companera from the Altagracia neighborhood. Regarding the first question, we must trust our revolutionary process above all; also, we have already started a series of publications on formulations we already have, such as the political parties law -- which is quite extensive. Seven political parties have already registered and two more are about to do so; it is being said that five more will also apply for registration.

The electoral law, which has already been published, is a democratic law that includes a series of resources, including the presence of inspectors in every [word indistinct]. There will be inspectors when citizens come to register, when they vote, when the votes are counted, and when the votes are recorded on the tally sheets. Therefore, we are adopting a series of measures -- such as establishing 5,000 electoral tables -- so that every citizen may register at the voting board in his neighborhood. This way we will avoid duplicate or fraudulent registrations, as happened in the past. Therefore, there exists a political willingness to hold completely free, honest elections that express the people's will.

In addition, an electoral police corps is being created to maintain order during the registration and voting processes. Public calls have been issued to all organizations to avoid generating pressure. [end recording]

BRIEFS

NEW HUMAN RIGHTS OFFICE -- The National Commission for the Promotion and Protection of Human Rights, CNPPDH, yesterday announced the opening of a branch office in Puerto Cabezas. According to CNPPDH acting President Miguel Angel Aviles, the new office will take care of Miskito citizens who, in taking advantage of a government decree, have returned to Nicaragua from Honduras and Costa Rica to take part in production activities and the November elections. [Summary] [Managua Radio Sandino Network in Spanish 1200 GMT 15 May 84 PA]

CASTRO EXPRESSES OLYMPICS INTEREST AT GAME

FL161248 Havana Domestic Service in Spanish 1000 GMT 16 May 84

[Text] Commander in Chief Fidel Castro and thousands of fans who filled the National Sports Coliseum attended the final women's basketball game in which China managed to qualify for the Los Angeles Olympic Games by beating Cuba by a score of 73 to 65. Commander Ramiro Valdes and Julio Camacho Aguilera, Politburo members, also attended the game. At the end of the game, Fidel went to the private lounge to speak with Cuban team trainer Manuel Perez and some of the Cuban athletes. The commander in chief described the performance of the Cuban team as good in its game with the Chinese and expressed interest in determining what Cuba should do now to qualify. He also asked about the condition of the athletes who had suffered injuries in the game and was told that injured athletes receive intensive physical therapy treatments. Fidel praised the outstanding work of the Chinese defensive player (Con Cui Di), whom he described as one of the factors in the Chinese triumph over the Cuban team.

HUNGARY TO ABSTAIN FROM GAMES; UK WRITER CITED

PA162108 Havana International Service in Spanish 1800 GMT 16 May 84

[Text] The Hungarian Olympic Committee has officially announced in Budapest that it will not send a delegation to the world games to take place from 28 July to 12 August in Los Angeles. The Hungarian organization said that the United States does not offer the minimal basic conditions required for the participation of athletes from socialist countries.

Meanwhile, in other parts of the world, there continues to be reaction to the decision made by the Olympic Committees of the USSR and other socialist nations to refrain from participating in the Los Angeles Games. (Christopher Frazier), a sportswriter for the British paper THE OBSERVER, describes in an article the anti-Soviet and anticommunist climate that prevails in Los Angeles, which is being incited by the U.S. Government. The writer says that there are hundreds of terrorist groups operating in California that would be very happy to attempt to kill athletes from the USSR or from any of the socialist nations.

FAR MEETING STUDIES PARTY'S POLITICAL WORK

FL161526 Havana Television Service in Spanish 1120 GMT 16 May 84

[Text] Army General Raul Castro Ruz, second secretary of the Central Committee and FAR minister, presided over the opening session of the 5th Communist Party of Cuba FAR Secretaries meeting which began Tuesday at the Palace of Conventions and continues this morning. Also presiding at the meeting were Jose Ramon Machado Ventura, Politburo member, and FAR generals, chiefs, and officials. On behalf of Soviet military advisers, Major General Feydor greeted the participants at this morning's working session.

The major goals of the meeting are to study the results of the party's political work since the 2d Communist Party of Cuba Congress, at which guidelines on production and defense were issued. This meeting constitutes a starting point from which to carry out the FAR's political work on a new and higher level and is one more step in strengthening the FAR's combat readiness. Cuba's Communist Party's use of the FAR throughout this period has been difficult, but strong and rich in new experiences.

[Begin Machado Ventura recording] The study, debate, and exchange of experience on the tasks and activities which the party's cadres and soldiers conduct are very important in political work. There is no other way of generalizing the best results while eliminating those activities that do not produce the expected results, or simply do not solve the problems that we confront. [end recording]

After Machado Ventura spoke, Antonio Perez Herrero, alternate Politburo member, gave a brief speech on the Communist Party of Cuba's ideological work, and education and science matters.

Moments of deep emotion were felt when representatives from the Jose Marti Pioneer organization, Union of Young Communists, the FAR, and FAR civilian workers entered the plenary meeting to salute the event.

COMMUNIQUE MARKS END OF MALMIERCA'S CONGO VISIT

FL161336 Havana Domestic Service in Spanish 1000 GMT 16 May 84

[Text] Cuba and the Congo have stated that the tense situation in southern Africa is the result of the aggressive policy of the United States and South Africa against the other countries in the area.

A joint communique was issued in Brazzaville at the end of Foreign Minister Isidoro Malmierca's official, friendly visit to the Congo. The communique -- signed by the Cuban foreign minister and his Congolese counterpart, Pieere Nze -- states the need for the nonaligned African countries and the world's progressive forces to efficaciously support the struggle of Namibian and South African patriots. The communique states that this struggle is directed by SWAPO, that it, by the South-West African People's Organization, and by the African National Congress of South Africa.

The foreign minister visited the Congo on the occasion of the 20th anniversary of the establishment of diplomatic relations between the two nations.

DEL VALLE VISITS CEMENT FACTORY IN ETHIOPIA

FL162133 Havana Television Service in Spanish 1210 GMT 16 May 84

[Text] Muger, Ethiopia -- Cuban Politburo member and Minister of Public Health Sergio del Valle Jimenez has visited the Muger cement factory, where he was enthusiastically greeted by the construction workers. The Cuban leader arrived there accompanied by Ethiopia's Minister of Industry Yemanu Hailu, Abebe Muluneh, permanent secretary of the Construction Ministry, Cuba's Ambassador to Ethiopia Francisco Cabrera Gonzalez, and members of Del Valle's delegation. Del Valle Jimenez was given a detailed explanation of the work done at the Muger factory, which was built thanks to the socialist countries of Cuba, the GDR, and Ethiopia.

The factory has been under construction for some 2 years and, described as an example of cooperation among these nations, is the largest industrial project undertaken by the Ethiopian Government since the revolution 10 years ago. The (Muger) factory will have an annual production capacity of 300,000 tons which will double the present output of some 140,000 tons from factories in Addis Ababa, Asmara, and Diredawa.

GARCIA FRIAS DISCUSSES COOPERATION WITH FRENCH

FL161412 Havana Domestic Service in Spanish 1000 GMT 16 May 84

[Text] Commander of the Revolution Guillermo Garcia Frias, vice president of the Councils of State and Ministers, has met in Paris with Minister of Foreign Trade and Tourism Edith Cresson. The two officials exchanged opinions on different aspects of Cuban-French cooperation, with special emphasis on the field of transportation.

Garcia Frias and Guy Lengagne, French secretary of state to the Ministry of Transportation for Maritime Affairs, discussed the characteristics of the Cuban and French state maritime offices and other subjects. The two officials reached verbal agreement on beginning a scientific and technical exchange program that will include, among other things, the training of Cuban specialists in France.

In accordance with the program of their 1-week working visit to France, the Cuban delegation headed by Garcia Frias will travel to Lyon via high-speed train to visit the railroad station of that important French city. The Cuban vice president will travel later to the city of Limoges, located in the western part of central France.

CARLOS RAFAEL RODRIGUEZ RECEIVES CEMA DELEGATES

FL161452 Havana Domestic Service in Spanish 1000 GMT 16 May 84

[Text] In Havana, Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers and permanent Cuban representative to CEMA, received a group of persons who are participating in the meeting of the CEMA Permanent Commission for Construction. Carlos Rafael Rodriguez stressed the importance of cooperation between CEMA member countries in construction matters, Cuban advances in the development of construction, and the role that construction plays in the Cuban economy.

GDR Minister of Construction Wolfgang Junker, who is the president of the CEMA Permanent Commission, expressed his gratitude for the information provided and confirmed the cooperation of CEMA member countries with Cuba in this important sector of the economy.

CEMA SECRETARY GENERAL SYCHEV VISITS HOLGUIN

FL162153 Havana Television Service in Spanish 1700 GMT 16 May 84

[Text] CEMA's Secretary General Vyacheslav Sychev has arrived at the Moa Municipal airport and was met by Guillermo Benitez Barbosa, alternate member of the Central Committee and second secretary of Cuba's Communist Party in Holguin Province.

The delegation headed by the Soviet leader visited Las Camariocas nickel plant, which is being built with direct cooperation from CEMA member countries. The Punta Gorda nickel plant, which will soon begin operating, is also being built with direct CEMA cooperation. The delegation also visited the extraction and transportation area of the Pedro Soto Alva open earth mines. The nickel plants Pedro Soto Alba of Moa and Rene Ramos Latour of Nicaro head the list of enterprises which have begun preparations for the recovery of heat resistant materials.

The Holguin Province committee for the recovery and manufacture of spare parts is providing special support to the two enterprises, and insists that efforts be redoubled because of their lack of experience.

'OUR AMERICA' U.S.-ISRAELI PLAN FOR GUATEMALA

PA170413 Havana International Service in Spanish 2310 GMT 16 May 84

["Our America" commentary]

[Text] The U.S. counterinsurgency strategy for Central America includes plans to render Guatemala an important military enclave, with the cooperation of the Zionist Israeli regime.

A confidential report released in Mexico City by SIAG, Servicio de Informacion y Analisis de Guatemala, gives the details of this evil plan, which is intended to consolidate imperialist power in the region. On 10 and 12 December 1983, representatives of the U.S. and Israeli Governments met with members of General Oscar Humberto Mejia Victores' regime at the Guatemalan military base in San Marcos and at the presidential residence in Santo Tomas. General Rodolfo Lobos Zamora, Guatemalan Army General Staff chief; U.S. Army Colonel John (Gorovy); the ambassador of Israel; and a delegate from the Guatemalan Commanders Council were present at both meetings.

The first part of the plan calls for the achievement of peace in Guatemala through the total elimination of the guerrilla movement. To contribute to the success of the plan, Israel will provide 200 men, who will be in charge of training, in Guatemalan territory, the forces stationed at the Santa Cruz military base and the National Police Special Operation Brigades. William Morales, military aide at the U.S. Embassy in Guatemala, will be in charge of training the military personnel stationed at the military bases in Tiquisape, Carmelita, Antigua, Quetzaltenango, and Santiago Atitlan. Within the master plan conceived by U.S. and Israeli strategists to liquidate the guerrilla movement in Guatemala, U.S. Army Colonel Henry Cruz will assume command of the troops called Kaibiles, which will be headquartered in Chimaltenango.

The plan also calls for increased bombing of areas held by the guerrillas, the initiation of chemical warfare, an increase in military intelligence activities, and incursions into Mexican territory, under the pretext that guerrilla are hiding in the refugee camps.

The second part of the secret U.S., Israeli, and Guatemalan plan calls for the industrial development of regions in Escuintla, Puerto Barrios, Livingston, and Izabal and for large land concessions to U.S. agricultural companies in the Departments of Alta Verapaz, Baja Verapaz, Solola, Chimaltenango, and Quiche. These are areas where the guerrillas are currently active.

The cheap manpower necessary to carry out these plans will be obtained from the strategic villages that exist in Guatemala. Gen Mejia Victores has promised to see to that. The plan's initial cost is approximately $300 million, $80 million from Israel and the rest from the United States and Guatemala.

Our America knows that the U.S. plan is to maintain its bloody hegemony and to destroy the liberation movement being pursued by the exploited classes in Central America. The Guatemalan people will emerge victorious in their heroic guerrilla struggle over the somber plans that the United States, Israel, and Mejia Victores' hateful regime are trying to implement.

BRIEFS

NEW AMBASSADOR TO PORTUGAL -- The Council of State has designated Comrade Armando Torres Santrayll ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Republic of Portugal. [Excerpt] [Havana Domestic Service in Spanish 1000 GMT 16 May 84 FL]

BARBADOS

NEW MISSION TO GRENADA REFLECTS SHIFT IN POLICY

FL150106 Bridgetown CANA in English 2230 GMT 14 May 84

[By Albert Brandford]

[Text] Bridgetown, Barbados, May 14 (CANA) -- The Barbados Government is actively pursuing plans to set up a diplomatic mission in Grenada and an announcement is expected within a few weeks, Foreign Ministry sources said here today.

Establishment of a High Commission in St George's will relfect a new thrust in this country's external relations, whose main focus will be on the Caribbean.

The new policy was announced by Foreign Minister Louis Tull last March after a week-long conference of advisors and foreign-based heads of diplomatic mission. Tull said then: "I think we have failed in not according the wider Caribbean the type or priority it merits."

One specific way to remedy this situation was the plan to set up a mission in Grenada, appoint honorary consuls in all of the other 12 Caribbean Community (Caricom) member states, and disucss the creation of joint mixed economic commissions with "certain" Caricom states.

The St George's mission is expected to be a small one of about five or six, with two diplomats and support staff, the sources said.

"I should think that in a matter of weeks we would have something to announce," one official said.

Tull had expressed concern over the deterioration in the relationships between Caricom states as a result of last October's U.S.-led military invasion of Grenada and intra-regional trading difficulties, and said Bridgetown will try to heal the divisions.

However, There has been no change in the impasse over the exchange of high commissioners with Trinidad and Tobago, although, according to the sources, there was still normal communications between the two countries. The diplomatic row between the two states had broken out after the Grenada crisis leading to Barbados demanding the recall of Port of Spain's envoy here. The latter had reacted by asking Barbados not to send its high commissioner-designate to that country.

Nonetheless, the sources were optimistic that the forthcoming heads of government summit scheduled for July in the Bahamas may generate the kind of atmosphere that could help to solve several of the problems facing the Caribbean community.

"The opportunity will be taken (during the summit) to re-evaluate the general relationships between Caricom member states that could lead to a resolution of the impasse," one official said.

CENTRAL BANK REPORTS ON ECONOMY, FORESEES GROWTH

FL150111 Bridgetown CANA in English 2333 GMT 14 May 84

[By Hallan Hope]

[Text] Bridgetown, Barbados, May 14 (CANA) -- The Barbados Central Bank today said it was anticipating a two per cent growth in the economy this year following no growth in 1983.

The forecast was given by Bank Governor Dr Courtney Blackman who said it would be dependent on continued improvement in the international economy as well as major sectors of the Barbados economy, tourism, sugar, and exports of electronic components.

The governor said that unemployment stood at 15.7 per cent after the first three months of this year -- its highest first quarter level in eight years. The corresponding unemployment rate for the 1983 first quarter was 14.6 per cent.

Dr Blackman said that government's finances for the fiscal year ending last March showed a considerable improvement. "Revenues rose by 9.1 per cent to reach 541 million dollars (one Bds dollar; 50 cents U.S.) while current and capital expenditures rose by 3.8 per cent and 10 per cent respectively," he said. "As a result the overall deficit was reduced from 120.3 million dollars in fiscal year 1982/83 to 54.1 million dollars in fiscal 1983/84."

"Real output in the first quarter of 1984 rose much faster than in the corresponding period of last year. This increase mainly reflects moderate growth in the tourist industry, a strong performance in nonsugar agriculture, and the early start and smooth cane-harvesting operations."

"However, the build-up in foreign exchange reserves was not sufficient to ensure a comfortable position for the rest of the year. Inflation slowed considerably but unemployment reached its highest first quarter level since 1976," the governor added.

He continued: "Nearly 70,000 tonnes of sugar were produced in the first three months of 1984, compared with about 40,000 tonnes in the first quarter of 1983.

"There were plentiful supplies of vegetables and ground provisions and twice as much fish was landed as in the corresponding period of 1983. Poultry production was only 2.5 per cent higher as farmers tried to avoid a glut of chicken on the market.

"Performance in the tourism sector has been lack lustre in spite of the recovery in world tourist travel. The increase in visitor arrivals is estimated at five or six per cent over the quarter of 1983 but tourist days and tourism earnings have not kept pace with visotrs arrivals as the average length of stay continues to decline."

He said crude oil production rose by 83.5 per cent to 145,313 barrels as a result of an extensive drilling programme over the previous 12 months which brought 20 more wells on stream.

"However, natural gas sales have not kept pace with oil production as a relatively longer time is required to collect and feed the gas associated with crude oil into the distribution grid," he said.

"However, the 2.8 million cubic metres of natural gas sold was 12.3 per cent more than in the first three months of 1983. For the fourth successive year manufacturing output in the first quarter declined. Only the electronic components and garments sector recorded any significant growth.

"There was a modest pick-up in commerical bank deposits which, together with the slowdown in domestic credit, eased liquidity somewhat. The 26.4 million dollars increase in domestic credit was less than half the increase in the first quarter of 1983. Government reduced its borrowings from the banking system and there was only sugar," the Central Bank governor said.

He continued: "Foreign exchange reserves rose by only 16.2 million dollars in the first quarter compared with an increase of 22.8 million dollars in 1983. Again this year there were no shipments of sugar during the quarters but the increase in earnings from tourism were quite significant. The island's foreign exchange reserves also benefitted from an inflow of 8.2 million dollars from the IMF under the stand-by arrangement.

"Domestic exports continued to increase reflecting the sales of electronic components to extra-regional markets. Intra-regional exports declined slightly from 1983 levels, especially to Trinidad and Tobago, where trade barriers remain in place. However, imports grew much more slowly than exports resulting in a lower trade deficit than in the first quarter last year."

Dr Blackman said the rate of inflation was much lower than in the first quarter of last year. The governor said the 12-month average increase in prices was 4.3 per cent at March compared with 9.6 per cent a year ago. "Plentiful supplies of fish, chicken, and vegetables, and the strength of the U.S. dollar have all contributed to the reduction of inflationary trends," Dr Blackman said.

1984 SUGAR OUTPUT TOPS 100,000 METRIC TONS

FL162339 Bridgetown CANA in English 1719 GMT 16 May 84

[Text] Bridgetown, Barbados, May 16 (CANA) -- Barbados' 1984 sugar output topped the 100,000 tonne mark in the best performance by this key revenue-earning sector for four years, industry officials announced today.

When grinding came to a halt at the island's six factories over the week, just over 100,000 tonnes of sugar had been produced from 858,000 tonnes of cane, the privately-run Barbados Sugar Industry Limited (BSIL) said.

BSIL, which manages the industry, said the 1984 production was 18 per cent higher than last year's 85,000 tonnes, which was the lowest since 1948.

Sugar is Barbados' number one foreign exchange earner in the agricultural sector, ranking third overall behind tourism and manufacturing. The bulk of sugar exports go to the European Community under the Lome Aid and Trade Pact.

Sales brought in a paltry 37.5 million dollars (one Bdos dollar; 50 cents U.S.) last year, compared with the record 109 million dollars in 1980, when production peaked at 131,741 tonnes.

The industry's entire operations machinery was restructured over a year ago as part of a government strategy to have sugar produce in excess of 100,000 tonnes a year, a norm in the 1960s and 70s.

BSIL said the new Portvale factory, which came on stream two years ago, produced the most sugar -- almost 19,600 tonnes.

It also said that for the first time, three factories were able to feed excess electrical power into the national grid, generating nearly 970 megawatt hours of electricity up to the end of April.

Small farmers contributed 88,000 tonnes of cane, slightly more than 10 per cent of the 1984 harvest and marginally better than their percentage share in 1983, BSIL said.

GRENADA

POLITICAL PARTIES BEGIN CAMPAIGNING FOR SUPPORT

FL161456 Bridgetown CANA in English 1657 GMT 15 May 84

[Text] St George's, Grenada, May 15 (CANA) -- A Team for National Unity (TNU) which former Grenada Chief Minister Herbert Blaize hopes to lead into the next general elections appealed to voters today for support. The team comprises only two political parties following the withdrawal last week of the National Democratic Party (NDP).

The TNU issued its appeal through a statement signed by Dr Francis Alexis of the Grenada Democratic Movement (GDM) and Hudson Scipio, secretary of Blaize's Grenada National Party (GNP).

The statement made reference to the withdrawal of the NDP, accusing the novice political group of attempting to "capsize" much of what was already agreed on regarding the leadership of the team. The GDM and the GNP, it said, unanimously voted the 65-year-old Blaize to lead the alliance but the NDP after initially agreeing to the proposal proceeded to recommend that leadership questions should not be settled before the elections, expected here in November.

Grenada's non-political interim government, installed after last October's U.S. invasion, has promised elections by year end. It will be the island's first poll since 1976.

The statement said the NDP advocated that if the team were to win the elections the elected representatives should meet and decide who should lead the government. This could not be accepted, it added.

This proposal, it said, would have only resulted in a similar problem faced during the 1976 elections when opposition parties, including the GNP, formed an alliance which ended with a dispute over the question of leadership after the polls. The leading party in that alliance was the New Jewel Movement, whose leader Maurice Bishop took over as leader of the opposition, and in March 1979 led a coup which toppled Sir Eric Gairy. Bishop was himself ousted and killed in October in a military takeover by a radical faction of his NJM, prompting the invasion.

The release said the team would definitely be going forward mainly comprising personnel from GDM and GNP under the masthead of belief in God, commitment to Grenada within the parliamentary democratic system, and dedication to serve throughout the period of "our" appointment when elected.

BURNHAM TO PAY OFFICIAL VISIT TO BULGARIA, CHINA

FL162333 Bridgetown CANA in English 1536 GMT 16 May 84

[Text] Georgetown, Guyana, May 16 (CANA) -- President Forbes Burnham will be paying official visits to Bulgaria and China shortly, a senior government official said today. The exact dates of the two visits will be announced later this month, the official told CANA.

President Burnham and his party will have talks with government leaders of the two countries on ways of improving relations. "The team will also examine the possibility of joint ventures and training for Guyanese in these two countries," the official said.

Missions from Bulgaria and China visited Guyana this year.

PNC'S NEW NATION SCORES IMF LOAN CONDITIONS

FL162342 Bridgetown CANA in English 2053 GMT 16 May 84

[Text] Georgetown, Guyana, May 16 (CANA) -- Guyana will continue to spurn balance of payments support from the International Monetary Fund (IMF) until the lending agency softens its loan conditions, according to the weekly paper of the ruling People's National Congress (PNC).

"The IMF prescribes massive devaluation of the local currency, cutbacks in government or public sector spending, reduced importation, increased taxation, and price increases," said NEW NATION. "To date, every country that has taken this medicine has experienced worsening conditions to the extent that it became apparent that the prescription was designed to kill rather than cure."

Guyana, beset with foreign exchange problems, is expected to resume negotiations with the IMF next month on a 250 million dollar (U.S.) economic assistance package. Talks broke down last year when Guyana said the IMF terms were too harsh.

Citing recent riots in the Dominican Republic, NEW NATION said the IMF remedy pushed governments on the brink of disaster.

More than 50 people died in rioting in the Dominican Republic last month, protesting steep price rises that came out of an austerity package tied to an IMF agreement.

"The situation in the Dominican Republic is not singular. Countries in Latin America, in Asia, and in Africa have experienced riots against austerity measures prescribed by the IMF and adopted by the potential loan recipients," said NEW NATION.

"The only alternative to the IMF is greater domestic production to the point of self sufficiency and for export, especially since counter trade (bartering) has become a vibrant trading pattern."

FIRST SUGAR CROP SURPASSES 100,000-TON MARK

FL162336 Bridgetown CANA in English 1645 GMT 16 May 84

[Text] Georgetown, Guyana, May 16 (CANA) -- Guyana's first sugar crop due to end later this month has passed the 100,000 ton mark, the first time for three years, the Guyana Sugar Corporation (GUYSUCO) said in a statement.

The industry, the number two foreign exchange earner here, produced 102,035 tons of sugar by the end of last week, which is just below the target of 109,000 tons.

Four of the country's 10 factories have stopped grinding and GUYSUCO says the remaining six estates will continue operation for a while longer.

"The last occasion on which the 100,000 ton mark was surpassed for any first crop was in 1981," GUYSUCO said.

It said this mark was achieved despite the two major setbacks of strikes and factory mechanical downtime.

Last year's first crop totalled 86,085 tons, from an original target of 100,870 tons, while the second crop yielded 165,785 tons, making a total production of 251,870 tons.

This year the industry is looking to a production of 300,000 tons.

BRIEFS

DOMESTIC CARGO PRICE INCREASE -- Georgetown, Guyana, May 5 (CANA) -- The state-owned Guyana Airways Corporation (GAC) has announced a 25 percent across-the-board increase in its passenger and cargo tariffs on all domestic routes, with immediate effect. "These rates were last increased four years ago during which time the corporation experienced escalation in costs of fuel, spares, and currency readjustment," Executive Chairman Joe Vieira said in a statement. He said the increases were minimal since the public would be paying 15 cents (G) instead of 12 cents (G) per pound previously charged for cargo to any point in the interior. [Excerpt] [Bridgetown CANA in English 1450 GMT 5 May 84 FL]